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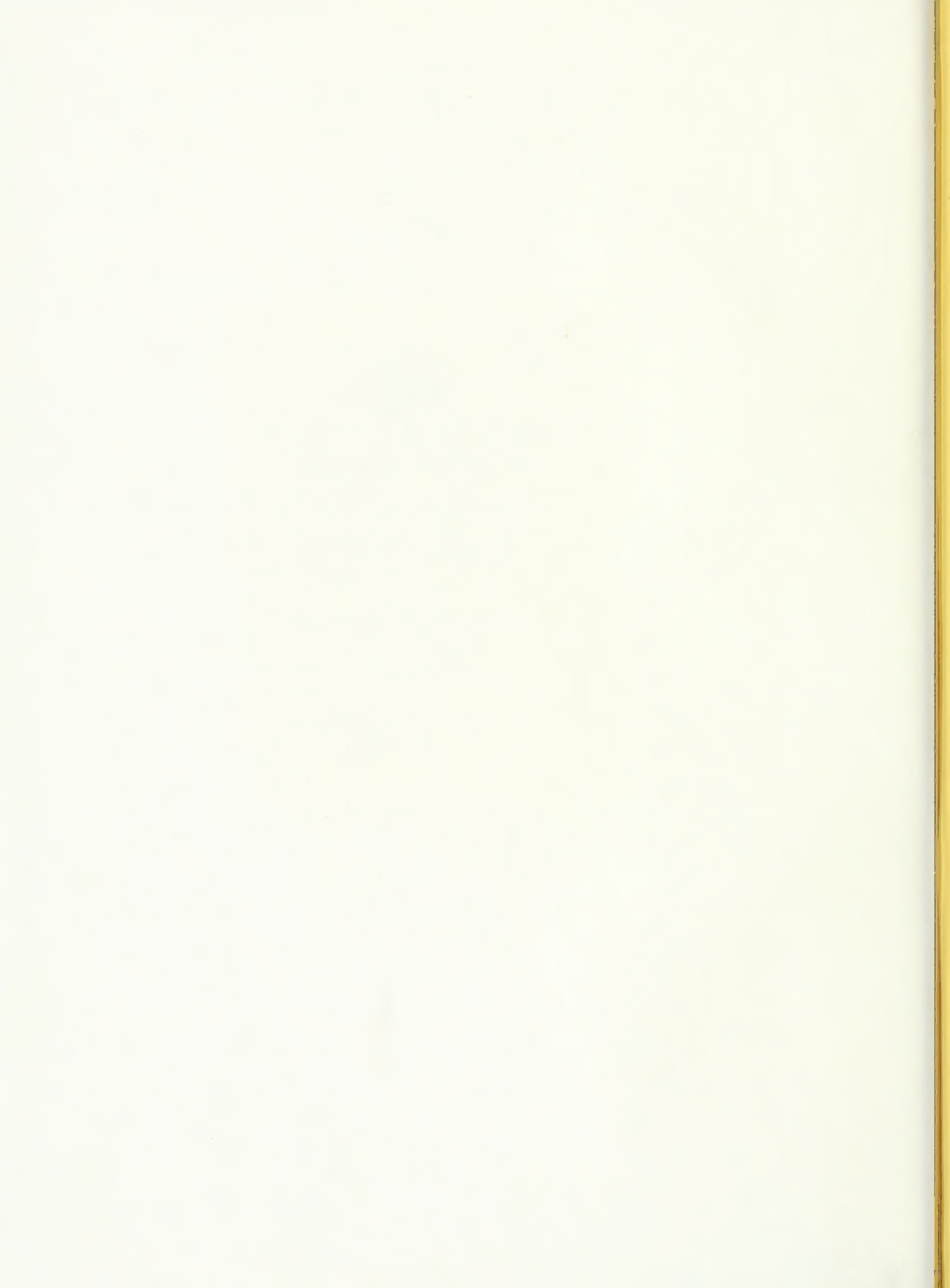
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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

JANUARY 9, 1996

*SPECIAL MEETING

9:00 A.M.

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Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
January 9, 1995
Special Meeting

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Minutes of the
Airports Commission Special Meeting
January 9, 1996

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:02 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	L. Andrew Jeanpierre, President Marie K. Brooks, Vice President Hon. Roland A. Quan Hon. Larry Mazzola
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Absent:	Michael S. Strunsky
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 19, 1995 were adopted by order of the Commission President.

No. 96-0001

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item nos. 1 through 8 were adopted unanimously.

Commissioner Jeanpierre announced that members of the public may address the

Commission on any topic for up to three (3) minutes. He asked that all members of the public wishing to address the Commission fill out a Request to Speak form and submit it to the Commission Secretary.

1. Authorization for Bid Call for:

Contract No. 5520E - Boarding Area "G" General Construction

Contract No. 5520G - Boarding Area "G" Elevators/Escalators/Moving Walks

Contract No. 5520J - Boarding Area "A" and "G" Pre-conditioned Air/400 Hertz Power

Contract No. 5520L - Boarding Area "A" & "G" Loading Bridges/Potable Water/Guidance System

No. 96-0002

Resolution approving the scope, budget, and schedule and authorizing the Director of Airports to call for bids when ready for:

- Contract 520E - Boarding Area "G" General Construction
- Contract 520G - Boarding Area "G" Elevators/Escalators/Moving Walks
- Contract 520J - Boarding Area "A" and "G" Pre-conditioned Air/400 Hertz Power
- Contract 520L - Boarding Area "A" and "G" Loading Bridges/Potable Water/Guidance System

Mr. John Martin, Director of Airports explained that this item follows the presentation made to the Commission at the last meeting on the design of Boarding Area "G" and the International Terminal. These bid calls will have all of the construction elements of Boarding Area "G".

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction said that the first three will be bid in mid to late February and the last one will be bid in May.

He called the Commission's attention to the second page for the description of the proposed MOU budget increase. That particular increase is detailed on the next sheet and shows items that were added to the contract to make the building safer and more efficient to operate. The balance of those increases were transferred from another contract.

Commissioner Jeanpierre asked what precipitated the changes.

Mr. Bordegaray responded that those budgets were established on the known scope

of work at the time. During the review process with staff and the airlines, requests for improvements to the building were made. Those requests were reviewed by in-house staff to determine if it was in the City's best interest to add those extra elements to the building. Staff believes that these items are advantageous to add.

Commissioner Jeanpierre asked if we are still within the overall budget.

Mr. Bordegaray responded that we are.

Commissioner Brooks asked if the \$6-million transfer from Boarding Area "A" would impact that project.

Mr. Bordegaray responded that the Boarding Area "A" budget was decreased in an equal amount to make it up.

Commissioner Brooks asked if the Boarding Area "A" budget would eventually have to be increased.

Mr. Bordegaray responded that that work will be done under this project. The budget increase is being requested for either the design or construction budgets. These increases have all been reviewed by Airport staff and funds are available within the program to compensate for them. It will not add to the overall cost of the program.

Commission Quan said he was concerned because the Commission approved the original budget on September 19, 1995. He asked if there will be other budget revisions in subsequent months.

Mr. Martin said that we anticipated that there would be upward adjustments to the Boarding Area "A" and "G" budgets but had not identified the dollar amounts.

Commissioner Jeanpierre concluded that this was a timing problem.

Mr. Martin agreed.

Commissioner Quan asked if there was any way to reduce the size of Contract 5520G so that the work can be divided up. As it stands now, there are only four or five companies who could do this work.

Mr. Boardegaray responded that there are ways to package projects like this by breaking them down into piles, foundations or structural steel segments and creating several different contracts. It was done in the International Terminal. It was not done with this project because the design fees have to be increased in order to

accommodate the packaging. We have tried to do some packaging in order to reduce the overall project from the \$99.6-million down to those four categories. We did not go any further with reductions.

Mr. Bordegaray explained that as we increase the number of construction packages within a specific building we also increase the consultant fees for the design work as well as the amount of coordination needed between those individual packages and the general building. When you have a lot of smaller contracts making up a large contract, it is in that coordination element where you will usually end up with a lot of change orders due to interfacing problems that arise with different contractors. We have tried to break the larger contracts down into a number of smaller contracts but not so many that they become susceptible to claims. This particular contract could have been divided into one or two more packages.

Mr. Bordegaray asked Commissioner Quan if he wanted that pursued.

Commissioner Quan responded that he was not interested in changing this one but he was interested in seeing what opportunities are available for various construction companies.

Mr. Martin said that he will take a look at it for the International Terminal, Boarding Area "A" and report back to the Commission before it appears on calendar for approval.

Commissioner Brooks noted that in the past the loading bridges, potable water guidance system were provided by the airlines and coordinated by the Airport. She asked how this affects the Airport as far as income is concerned and if there is a change of responsibility or liability.

Mr. Martin responded that there would be a change in liability. We are doing this because in order to maximize efficiency we are not giving the airlines any exclusive space in the International Terminal. Consistent with that common-use philosophy we will own all of these types of facilities and equipment within the International Terminal building. Special fees will be assessed to the airlines using that equipment. Those fees would not be considered "landing fees" and "terminal rentals". It would fall outside of the \$125-million cap that we have on airline special fees.

2. Authorization for Bid Call - Contract No. 5510G - Boarding Area "A"
Elevators/Escalators/Moving Walks

No. 96-0003

Resolution approving the scope, budget, and schedule for Contract 5510G, Boarding Area

"A" Elevators/Escalators/Moving Walks and authorizing Director to call for bids when ready.

Mr. Bordegaray explained that this bid call is for one element of the Boarding Area "A" contract. The reason to bid this particular element before the rest is so the bids for the elevators, escalators and moving walks for Boarding Areas "A", "G" and the International Terminal can be combined. This insures that all of the equipment is the same and provides the potential for a better bidding environment.

3. Modification No. 1 to Professional Services Contract No. 5520 - Boarding Area G Hellmuth, Obata & Kassabaum, Inc.; Group 4/Architecture, Research and Planning, Inc.; Robert B. Wong, Prime Associated Architects

No. 96-0004

Resolution approving Modification No. 1 to Professional Services Contract No. 5520, Boarding Area G, with Hellmuth, Obata & Kassabaum, Inc.; Group 4/Architecture, Research and Planning, Inc.; Robert B. Wong, Prime Associated Architects for increase to basic professional service fees in the amount of \$2,115,838. These services are required for scope changes and design responsibilities transferred from other Master Plan projects.

Mr. Bordegaray explained that this contract modification is for the designers for the Boarding Area "G" project. This item approves design fees in order to increase the scope of work.

The second page itemizes the modifications. The first element is the \$1.1-million addition. A budget for this project was established prior to the development of the MOU. During discussions with the airlines, and up to the point where we had an MOU, we had added scope to the building. The MOU approved that additional scope and adjusted the construction budget to accommodate it. The design had been approved but approval to modify the contract itself had not yet been sought.

The second element is the additional scope changes that occurred after the MOU and that amount is what the designers charged to add that scope to the contract.

The third element is a transfer from other budgets into this budget, and likewise, a debit from the other contracts to make up that amount.

Commissioner Jeanpierre asked if the percentage of the fee relative to construction costs on this addition exceeds the original percentage.

Mr. Bordegaray responded that some of the scope changes were slightly above the 7.6% and some were slightly below. When combined, they come out to approximately 7.6%.

Commissioner Quan, referring to Items Nos. 3 through 7 on the calendar, noted that they all relate to contract modifications. He was concerned that it appears that some of these contracts were initially awarded at \$1-million and subsequent modifications raised them to \$6-million. He asked if contracts should be bid rather than approving modifications or does this create more work for staff. Should there be a policy stipulating that certain modifications exceeding certain amounts should be bid.

Commissioner Jeanpierre said that he had the same idea.

Mr. Martin explained that at a general level we often select a contractor to cover a specific time period. We know that the fees over a five year period, for example, might be \$5-million but we initially approve only \$1-million to cover the first 12 or 18 months. This allows us to maintain leverage with the contractor so that if they don't perform we can begin a new RFP process without having to go through a firing process. An RFP process takes approximately 8 to 10 months and is not something we like to go through often. That is why we like to have a specific time period of several years.

We can take a look at establishing certain triggers that would cause a new RFP process.

Commissioner Quan asked if the potential for modifications shouldn't be disclosed up front rather than specifying that the contract is only \$500,000.00, for example. Firms bid on what they believe is the value of the contract. If a firm is aware that modifications might be available, more bidders might be interested.

Mr. Martin responded that we typically do let bidders know in advance what the amount of work will cover. Prospective bidders for the bond contracts were told when proposals were requested what we anticipated the size of financings would be so that they could calculate their estimated fees over the life of the near term Master Plan Program. There are instances, such as this contract, where we did not anticipate a budget increase, yet it would not make sense to bring in a new designer.

Commissioner Quan wanted to make sure that the process is fair.

Commissioner Brooks agreed.

Commissioner Jeanpierre said that if all of the bidders are aware of this at the outset, then that levels the playing field. In instances when continuity is the issue, then the gear up cost is too much. If the project changes, we should consider rebidding because we could be talking about a completely new project.

Ms. Pansy Waller, Human Rights Commission Contract Compliance Officer, added that it would be a good idea if her office could be advised ahead of time of modifications in order to insure continuity in subcontracting.

Commissioner Jeanpierre asked if HRC could be integrated into this process.

Mr. Martin responded that that could be done. He said that future Commission packages will identify whether the contract modification was anticipated in the original RFP.

Item Nos. 4, 5 and 6 were called together.

4. Modification No. 3 to Professional Services Contract No. 3232 - Environmental Clean-up III - Versar, Inc., in Joint Venture with Sierra Environmental Services

No. 96-0005

Resolution approving Modification No. 3 to Contract 3232, Environmental Clean-up III, with Versar, Inc., in Joint Venture with Sierra Environmental Services, to extend the contract period from December 10, 1996 to February 28, 1997 in order to continue environmental consulting services associated with the Master Plan and to increase the contract amount by \$1,900,000.00.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance said that all three professional services contracts are similar in that they provide the Airport with the expertise to identify contamination, recommend remediation plans, coordinate with tenants on their clean-up efforts, work with the Air Quality Board to make sure that requirements are met, provide design services to abate and demolish facilities that are in the way of the Master Plan and provide construction management services on environmental and demolition contracts.

This item modifies the contract completion date to February 28, 1997 and increases the amount by \$1.9-million to a total of \$5.9-million. It also increases the

engineering classification and reduces the mark-up price on laboratory testing.

Commissioner Jeanpierre asked why this wasn't re-bid.

Mr. Wong explained that it is slightly different from Mr. Bordegaray's contracts in that we don't necessarily know the location and extent of contamination.

Commissioner Jeanpierre assumed that all of the other bidders were aware of the potential for contract modifications.

Mr. Wong responded that they were. We had no idea what we were going to run into and that is why the project was split into three contracts. We were unhappy with the performance of one of the first three contractors and that firm was let go.

Commissioner Jeanpierre asked how the Commission knows that the pricing is appropriate.

Mr. Wong explained that staff negotiated individually with each joint venture on hourly wages and the mark-ups and profits. These contracts have been modified a number of times and each time we have been able to negotiate the rates downward. On the average, we reduced the rates of the initial contract by 20%.

We did not negotiate the last contract with CH2M Hill because they automatically reduced their rates.

Commissioner Jeanpierre asked Mr. Martin if the CPA firms we hired to do follow up audits would be part of that population.

Mr. Martin responded that they will. Those firms were probably funded for 18 months. After that we will need to modify the contract.

Commissioner Jeanpierre assumed that that would give us additional price comfort.

Mr. Martin responded that it would. These contracts will be in the first round of audits.

Commissioner Brooks asked Mr. Wong if all three of these companies looked at this particular job.

Mr. Wong explained that the entire list of services required was provided. As we proceeded, our staff would direct the contractor to test particular spots, or, as the Master Plan schedule changed, it moved the demolition of some buildings forward. We did not have the exact schedule at the time of the RFP.

Commissioner Brooks asked what was included in the \$5-million increase.

Mr. Wong responded that this is just professional services. We will bid each contract for the plans and specifications being developed.

Commissioner Brooks concluded that this was to determine the contamination.

Mr. Wong responded that it is. The clean up is a different contract.

Commissioner Brooks asked what controls are in place to guard against being overcharged.

Mr. Wong responded that project engineers and project managers monitor each one of these consultants and the monthly bills they submit.

Commissioner Jeanpierre added that CPA firms were hired to perform follow-on audits to monitor such things as overhead.

Commissioner Brooks asked if these increases were within our projected budget for this year.

Mr. Wong responded that they are. The Commission was presented with a status report back in November on the different phases of the modifications, how the money was spent, and the anticipated costs over the next five years.

Commissioner Quan assumed that a lot of these contract amounts are negotiated.

Mr. Wong responded that these three firms submitted hourly costs for each classification. We are not talking about the cost for scope of work.

Commissioner Quan noted that all of these consultants reduced their rates and expenses and he wondered if we were being overcharged originally.

Commissioner Jeanpierre explained that these issues came up about a year or two ago when the Commission was being presented with fee increases and contract time extensions. The Commission said at the time that if these firms were being given increases, we were entitled to a volume discount. That is what is happening now.

Mr. Wong said that the firms term this a "preferred customer decrease".

Commissioner Jeanpierre said that the fall back was in the hiring of CPA firms to monitor the overhead.



5. Modification No. 1 to Professional Services Contract No. 3499 - Environmental Clean-up IV - CH2M Hill in Association with AGS, Inc.

No. 96-0006

Resolution approving Modification No. 1 to Contract 3499, Environmental Clean-up IV, with CH2M Hill in Association with AGS, Inc. to extend the contract period from July 11, 1996 to February 28, 1997 in order to continue to provide environmental consulting services associated with the Master Plan and increase the contract amount by \$1,100,000.

Mr. Wong explained that this modification extends the contract to February 28, 1997 and an increases the contract amount by \$1.1-million.

6. Modification No. 5 to Professional Services Contract No. 3183 - Environmental Clean-up I - RUST Environment and Infrastructure in Association with AGS, Inc.

No. 96-0007

Resolution approving Modification No. 5 to Contract 3183, Environmental Clean-up I, with RUST Environment and Infrastructure in Association with AGS, Inc. to extend the contract period from June 30, 1996 to February 28, 1997 in order to continue to provide environmental consulting services associated with the Master Plan and to increase the contract amount by \$1,100,000.

Mr. Wong said that Item No. 6 is similar to Item Nos. 4 and 5.

7. Modification of Professional Services Contract with Co-Financial Advisors - Lazard Freres & Co. LLC and Grigsby Brandford & Co. (\$4,700,000.00)

No. 96-0008

Resolution to approve professional service fees of \$3.1 million and out-of-pocket expenses of \$1.6 million for 10 bond issuances and extend term to June 30, 1997.

Mr. Martin explained that co-financial advisors were selected in 1988 to handle bond financing of the near term Master Plan Program. At that time we were using a figure of \$1.9-billion for the near term program, which has since grown to \$2.4-billion.

The co-financial advisors did a lot of work early on and anticipated compensation from future bond sales. That initial work included the drafting of the new Master Bond Indenture as well as preparation of numerous capital financing plans over the years as revisions were made.

The work is split 58% to Lazard Freres and 42% to Grigsby Brandford, a local MBE. This will cover the next 10 bond issues, through June 30, 1997.

8. Addition of Forty-eight (48) New Positions at an Annual Cost of \$2.8-Million

No. 96-0009

Resolutions requesting authorization for the

No. 96-0010

Director to request a supplemental appropriation to add thirty-seven (37) operating fund positions and approval to add eleven (11) project positions related to the Master Plan.

Mr. Martin explained that this supplemental of new positions has been anticipated for the past year. The cost of these new positions was reflected in the financial projections prepared for the airline MOU on the Master Plan. The supplemental includes 37 operating fund positions and 11 project funded positions. The project funded positions are of limited duration and will be funded from bond proceeds.

Commissioner Brooks asked if the cost is in our 1995-96 budget.

Mr. Martin responded that they are not, but airline rates anticipate these additional expenses.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 9 was adopted unanimously.

9. Authorization to Issue a Request for Proposals for a New Shuttle Bus Contract

No. 96-0011

Resolution authorizing a Request for Proposals for the operation of the Airport's Inter-Terminal and Long Term Parking Lot Shuttles to commence January 1998.

Mr. Martin explained that this contract will commence in January, 1998 and the

service will carry us to the operation of the Airport Light Rail System (ALRS). This service will also be available for employee lots that will not be served by the ALRS or for emergencies when it is out of service.

Commissioner Quan asked if 10 years was too long a duration since the ALRS should be in place in two years.

Ms. Janice Gendreau, Landside Operations explained that six vehicles will take us through the critical years of 1999 and 2000 when there will actually be an increase in service. Both the old and new fleets will be used for that service. After that time we will reduce service. We are anticipating running a service to Lot D and that will require two buses.

There are a number of other options, including using our professional carriers. It would not be cost effective to have employees and vehicles waiting unused.

Mr. Martin explained that we also have the ability under the contract to require the operator to lease or rent additional buses if we desire.

The ALRS will be a dual guideway system. If one guideway is out of service, the second guideway should be in service. It would be highly unusual to have a circumstance where both guideways are out of service at the same time.

Commissioner Brooks asked if the vehicles belong to us.

Ms. Gendreau responded that they do. The 10 year amortization allows us to get a good rate per revenue hour. After 10 years the buses become ours.

Mr. Martin said that our current rate is about 10-15% below market rates, however, the buses are in inferior condition. The buses do not have air conditioning and become very uncomfortable in the summer months. These buses do not match the standard followed by the rental car industry and the off-Airport parking companies.

Commissioner Brooks asked if the buses belong to us, who has the contract to operate.

Ms. Gendreau responded that the new contractor will operate our 12 vehicles and would acquire six new vehicles.

Mr. Martin added that the contractor would be responsible for maintaining the buses as well.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Consent Items Relating to the Master Plan:

Item No. 10 was adopted unanimously.

Commissioner Brooks was asked to be recused from voting on Item No. 10. The vote to recuse was unanimous.

10. Reimbursement to The Hertz Corporation for Feasibility Study for New Shared Rental Car Facility on Lot D

No 96-0012

Resolution approving reimbursement in an amount not to exceed \$26,064.54 to The Hertz Corporation for feasibility study performed by Blunk DeMattei Associates for a shared rental car facility on Lot D.

Consent Items Relating to Administration, Operations and Maintenance:

Item Nos. 11 and 12 were adopted unanimously.

11. Increases in Cargo Rental Rates

No. 96-0013

Resolution adopting increases to rates of (a) \$7.00, (b) \$10.20 and (c) \$11.00 per sq. ft. per year, depending on category.

12. Retirement Resolution: Robert Lee Schmidt

No. 96-0014

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:50 AM.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JANUARY 23, 1996

* SPECIAL MEETING

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

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MARIE K. BROOKS
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Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Minutes of the
Airports Commission Special Meeting
January 23, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:02AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	L. Andrew Jeanpierre, President
	Marie K. Brooks, Vice President
	Michael S. Strunsky
	Roland A. Quan
	Larry Mazzola

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 23, 1996 were adopted by order of the Commission President.

No. 96-0015

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky asked about the flight pattern test over Pacifica. He said that the information provided in the newspaper indicated that the aircraft was supposed to be at 11,000 feet but were actually at 4,000 ft.

Mr. Ron Wilson, Director, Bureau of Communications explained that the test was supposed to have directed four aircraft that were flying between 5:00 AM and 6:30 AM over the Atherton/Woodside area and reroute them over Pacifica in-bound to San Francisco, crossing the shoreline at 11,00 feet. Either the pilots didn't get the word or were not instructed properly the first couple of weeks of the test and they were crossing the shoreline at 5,000-6,000 feet. The last two days of the test they were crossing at 11,000 feet. Residents appeared at the last Roundtable meeting to oppose the test.

Mr. Wilson said that the military has air space from the coastline around Pacifica out several miles into the ocean. The military uses this air space for missile testing less than one half of one percent a year. If the FAA, with the Director's assistance, can acquire two miles of air space between the shoreline around Pacifica and out over the ocean, the FAA could probably come up with a new procedure for southbound flights out of SFO.

Mr. Wilson said that it won't be easy to get the military to release air space to SFO or to the FAA but it is worth pursuing.

* * *

E. POLICY:

Item No. 1 was adopted unanimously.

1. Policies Regarding Airports Commission Agenda Items

No. 96-0016

Resolution rescinding Airports Commission Resolution No. 87-0093, "Tenant Rental Credits and Construction Reimbursements" and Resolution No. 87-0174, "Recommended Policy Changes for Commission Agenda Items" which authorize the Director to approve certain routine items without obtaining Commission approval, and approving the proposed resolution incorporating the above-mentioned policies and adding thereto the approval of non-contested subcontractor substitutions into the list.

Mr. Martin explained that in 1987 the Airports Commission authorized the Director to approve certain routine items without Commission approval. This item rescinds two previous resolutions adopted by the Commission, combines the two and adds to those policies the authority for the Director to approve non-contested subcontractor substitutions. Over the last year, construction contract awards have included this provision. It is prudent at this time to formalize this practice.

Commissioner Jeanpierre noted that all of the other items are powers the Director has had over the years. The non-contested subcontractor substitutions is the only addition.

Commissioner Quan expressed concern that MBE subcontractors are listed on bids but eventually replaced. It's difficult for small firms to protest because they fear that the prime will not use them again. He asked if there is a way to monitor these substitutions.

Mr. Martin responded that HRC is responsible for monitoring and enforcing these substitutions.

Ms. Pansy Waller, HRC Contract Compliance Officer explained that HRC reviews the request to determine if the substitution is justified and then monitors it.

Mr. Martin said that HRC typically contacts the sub to make sure there isn't a problem.

Ms. Waller added that HRC first tries to mitigate and resolve the problem. If the sub is not performing as required, the substitution is legitimate.

Commissioner Quan asked how often these substitutions happen and if this creates a large volume of work.

Ms. Waller responded that she has had a few substitutions since she has been at the Airport, but they don't happen very often.

Commissioner Quan asked if the Hilton Hotel wanted to build an addition at no cost to the Airport, would that item be brought to the Commission for approval.

Mr. Martin responded that any tenant improvement with a design impact requires Commission approval. Large dollar contracts the Hilton might have, such as changing their HVAC system, does not require Commission approval. Any change to the facade or addition would require Commission approval.

Staff works closely with tenants to encourage M/WBE participation in the contracting work. We have been especially successful with United and other major concession tenants in achieving a high level of participation.

Commissioner Brooks asked if there should be a dollar limit.

Commissioner Quan asked if some of these interior improvements would have to come before the Commission. If Hertz, for example, does a \$3-million remodeling of their facilities, would that come before the Commission.

Mr. Martin responded that a \$3-million remodeling job would almost certainly have to be calendared as it would likely have a design impact. Replacing their car washes or making improvements to their fueling system would not require Commission approval.

Commissioner Quan asked if there is a dollar limit.

Mr. Martin responded that there is no established amount. Some of the larger

improvements are made within United's maintenance center and that is within their leased area. The Airport has little control over that but we must approve improvements to the building nonetheless.

Mr. Martin said that he would prepare a report to the Commission on information we receive from tenants on their level of M/WBE participation. Last year we established a process for tracking that information. If the Commission wishes to establish a limit based on that information, we would be happy to do that.

Commissioner Jeanpierre said that when a tenant makes improvements it adds value to Airport property. As long as the improvements don't change anything, there is no problem. Any radical change or impact to the Airport will be brought to the Commission.

Commissioner Jeanpierre asked Commissioner Quan if he was satisfied that HRC would oversee the process.

Commissioner Quan said that he doesn't know what the volume is. If it's hundreds, he would be concerned.

Commissioner Jeanpierre said that in his experience it has only happened a couple of times.

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction responded that in the course of the last 10-12 years, BDC has probably had this type of change a half a dozen times.

While they accept the subcontractor's letter that it is not contested, they could go a step further and interview subs to make sure. When substitutions do occur, it is usually at the request of the sub.

Commissioner Brooks said that she would like to see a not-to-exceed dollar amount for concession/tenant improvements with no cost to the Airport.

Mr. Martin said that he would be happy to develop a proposal for a dollar limit for airlines and concessions.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was adopted unanimously.

2. Modification of Professional Services Contracts - Construction Management Consultants

No. 96-0017 thru
No. 96-0027

Resolution modifying Professional Services Contracts for eleven of the thirteen Construction Management Consultants for the Airport Master Plan Program in the total cumulative amount of \$21,950,000.00.

Mr. Bordegaray explained that this item modifies 11 of the 13 Construction Management (CM) contracts in a total amount of \$21.95-million. This will take us through the end of this year. We will probably come back on an annual basis to ask for modifications in varying amounts for these contracts. The M/WBE goals, which are 17% and 3% respectively, are being exceeded and are approaching 30%.

Commissioner Strunsky asked why staff can't handle the function of the CMs.

Mr. Bordegaray responded that BDC is a bureau of project managers. We don't have staff below the project manager level to administer these contracts. We don't have enough staff to attend all the necessary meetings to insure that there is design coordination between all the projects that interface, to meet with all the various departments for coordination, to put out the bids for contracts, and for construction administration. CMs handle these functions and act as an extension of staff. Other departments can handle some of these functions in-house, but they are geared to do it over a long period of time. Our projects have highly intense periods and then they taper down to nothing when the project is concluded. We can't hire City employees to fill this need so we fill it through consultants.

Commissioner Strunsky assumed that the CMs make sure that we are on time and within budget.

Commissioner Brooks asked if the amount is expected to be about the same each year.

Mr. Bordegaray responded that the overall goal is to administer this at 5%. Some are over that amount and some will be under.

Commissioner Brooks asked if this figure is included in this years budget.

Mr. Bordegaray responded that although we are approving \$21.95-million for contract modifications, the funding will come in increments based on the bonds. We are only funded up to about \$10-million initially. As the year progresses, future bond issues will make up the remainder of the \$21.95-million.

Commissioner Strunsky said that the Commission is relying on these firms to steer us to a successful project.

Mr. Bordegaray said that they are holding the CMs accountable for the same things for which the Commission is holding staff responsible to complete this project on time and within budget. That has been made clear to the CMs. Staff is monitoring expenditures very closely and the message has been given to the CMs regarding Commission expectations.

Commissioner Brooks said that the Commission will look to the Director and staff for the completion of this project.

Mr. Martin said that the CMs have an especially important role in this program because we are building an airport on top of an existing airport while continuing to operate. The challenge for the CMs will be greater than what was faced in Denver.

Commissioner Quan assumed that all of the CMs are doing a good job.

Mr. Bordegaray responded that they are. We have made it known that if a CM fails to perform he will be replaced.

Commissioner Quan said that it appears these modifications mainly effect three CMs ... O'Brien-Kreitzberg, SFO Associates and PGH Wong.

Mr. Bordegaray explained that these firms have the larger projects.

Commissioner Quan asked if these joint ventures are getting along and if they will be using all of the subs they identified.

Mr. Bordegaray responded that HRC will contact each firm to confirm that they will be using the listed M/WBEs in the proportions they promised. In addition, we have an in-house reporting process to assess their performance. We also interview the M/WBEs to determine if they are getting what they were promised and if the relationship is working.

Commissioner Quan thanked Mr. Bordegaray for the cost reports and congratulated him on a fine job.

Mr. Bordegaray said that in addition to the quarterly update, there will be a bi-monthly update by a coordinating CM to answer specific questions on the overall program.

Ms. Waller said that since the HRC has responsibility for these modifications they need a little time to review and insure that the HRC forms have been submitted.

Letters were sent to all CMs in December asking them to submit forms indicating that they understand their commitment to the subs. Of the 11 firms, only five responded. Morse Diesel responded that their participation is 41%. O'Brien Kreitzberg has 36% participation. Since some of the projects have not yet begun, 0% participation for their subconsultants has been listed.

Ms. Waller said that her job is to make sure that everyone is aware of this commitment and that she will be following up.

Commissioner Brooks suggested that staff follow up with Ms. Waller.

Mr. Martin said that staff will follow up to insure that Ms. Waller receives the forms. Staff will report to Ms. Waller on a time line which will reflect when more active involvement of the M/WBEs can be expected.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item No. 3 was removed from the calendar. Item Nos. 4 and 5 were adopted unanimously.

3. Award Contract 3190 - Airport Fuel Systems Maintenance and Repairs 1995-1996

Resolution awarding Contract 3190, Airport Fuel Systems Maintenance and Repairs, 1995-1996, to HSR, Inc. for \$291,700.00.

4. Award Contract 3585 - Drainage Outfall Piping Replacement and Improvement

No. 96-0028

Resolution awarding Contract 3585, Drainage Outfall Piping Replacement and Improvement, to Mendelian Construction, Inc., in the amount of \$141,800.00.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance said that this item involves replacing the deteriorated outfall piping and flap gates at Drainage Pump Station 1-C and performing various repairs at the western shore of Runway 1L.

This project was a set aside for African American contractors.

5. Supplemental Appropriation for Airport Police Overtime - \$671,000.00

Resolution requesting authorization for the Director to request a supplemental appropriation for overtime funding to implement the Federal Aviation Administration's Level III security alert.

Mr. Bob Rhoades, Acting Deputy Director, Business and Finance explained that this item is for the continuation of the FAA security alert. On August 9, 1995, the FAA mandated a Level II security alert. That order was suspended on December 15, reinstituted on January 9, 1996 and will continue until August 30, 1996.

Based on historical spending patterns, this supplemental should cover us through August 30.

Commissioner Brooks asked if it would make more sense to hire temporary employees rather than pay overtime.

Mr. Martin explained that Police Service Aide positions are being added and 10 Police Officers have just graduated from the Police Academy. We will eventually have more staff available and overtime will be reduced.

Commissioner Strunsky asked if there was a possibility that the Federal government will reimburse us since this Level II security alert is mandated. Governor Wilson has complained about this very problem.

Mr. Martin responded that he was not aware of anything and he doesn't hold out much hope, but he will look into it. He said that the Federal government receives \$150-million a year in passenger ticket tax. We get back about \$8-million through Federal grants. The cost of operating the FAA towers in the Bay Area is probably about \$4-5-million. We are a long way from even being close to reimbursement.

Commissioner Strunsky said that with the world situation what it is, this could end up being totally out of our management capability.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Consent Items Relating to the Master Plan:

None

Item Nos. 6 and 8 were adopted unanimously. Item No. 7 was removed from the calendar.

Consent Items Relating to Administration, Operations & Maintenance:

6. Award Contract 3588 - Runway 1R-19L Pavement Grooving

No. 96-0030

Resolution awarding Contract 3588, Runway 1R-19L, Pavement Grooving, to the lowest responsive, responsible bidder, Pavement Specialists, Inc., in the amount of \$218,560.00.

Commissioner Brooks asked why we only had two bids.

Mr. Wong explained that this is very specialized work.

7. Design Approval - North Terminal Candy Store Lease

Resolution approving the design for the North Terminal Candy Store Lease for ABC Cigar, Inc.

8. Resolution Ratifying Personnel Actions

No. 96-0031

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation and to consider a settlement of a claim by Jody Ringel; and, Government Code Section 54957 regarding personnel matters (Deputy Director, Business and Finance).

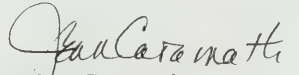
The Commission disclosed that it unanimously approved the settlement of a claim to Jody Ringel in the amount of \$10,000.00.

No. 96-0032

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:43 AM to go into closed session.


Jean Caramatti
Commission Secretary

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1996

SAN FRANCISCO AIRPORTS COMMISSION



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FEBRUARY 6, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

L. ANDREW JEANPIERRE
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
February 6, 1996

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Minutes of the
Airports Commission Meeting
February 6, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:15 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	L. Andrew Jeanpierre, President Michael S. Strunsky Roland A. Quan Larry Mazzola
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Absent:	Marie K. Brooks, Vice President
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* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 23, 1996 were adopted by order of the Commission President.

No. 96-0033

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 96-0032 regarding the settlement of a claim by Jodie Ringel in the amount of \$10,000.00 at the closed session of January 23, 1996.

* * *

Commissioner Jeanpierre called for a minute of silence in acknowledgment of the passing of Pat Moreno, secretary to former Director Lou Turpen. Commissioner Jeanpierre praised Ms. Moreno for her dedication and commitment to the Airport.

E. DIRECTOR'S REPORTS:

1. Master Plan Mitigation Program 1995 Summary Report

Mr. John Costas, Administrator, Bureau of Planning and Environmental Affairs said that when the Master Plan was approved in November 1992, two programs were actually approved ... the physical facilities program and the mitigation program.

The mitigation program was intended to reduce the negative impacts of the construction program. The mitigation program encompassed a wide range of mitigations, from aviation and construction noise to transportation and air quality, geology and hazardous and toxic waste issues. We have insulated 1,200 homes with 850 in design and 2000 homes under construction.

Our TSM and TDM programs have been on-going for a number of years. They have pursued issues such as parking policies and employee/passenger trip reduction programs. The Commission will soon receive a "Transit First Policy" which will encourage the use of mass transit.

We have continued to work with the communities and public and contract agencies regarding the effect of these mitigations and their implementation during the course of program.

At this time the mitigation program itself is running consistent with the actual construction of the Master Plan.

2. Report on Airport Light Rail System Presentation - Oral Report

Report on the Airport Light Rail System,
including Guideway and Fixed Facilities and
Operating System.

Mr. Martin introduced Mr. Tom Kardos, Project Manager, Bureau of Design and Construction, and said that Mr. Kardos is nearing the point where he will be requesting approval from the Commission to go out for bids on portions of the project.

Mr. Kardos explained that this project was last presented to the Commission at the conclusion of the conceptual design which established the overall configuration

and the physical location of the major facilities within the system.

At this time the schematic design has been completed, as well as the extensive engineering process for the guideway and fixed facilities. We are at the 90% completion level for the operating system.

There have been no conceptual changes since the original conceptual design. We have the terminal loop and an extension connecting the new and old facilities of the terminal complex. The northern extension connects the major employment centers north of the terminal complex to the terminal complex. The changes are in the details. Starting with the terminal loop complex we now propose, based on population issues and economic considerations, eliminating the option for future stations at terminals C and E. Both are minor terminals and the close proximity of the stations would deteriorate the travel time and increase the fleet size. The passenger count does not justify the building of these two stations.

Primary stations were originally proposed for either side of the International Terminal. The station location in the parking structure remained the same, with the only change being BART's SFO station impact on the north structure. The south station remains as originally proposed. The ALRS will be on the 6th level, one level above the existing garage level, with a platform at level 5.

The conceptual layout of the station platform shows the platform outline and the vertical circulation of the guideways.

Following the guidance of the Art Commission a glass curtain wall is being proposed. This will define the station and will carry the International Terminal glass theme.

The original proposal was to put the guideway into the median of McDonnell Road. The traffic analysis and engineering process suggested going back to the east side of McDonnell Road thereby providing a median for a left turn operation and not inhibiting the container trucks.

A Landside Operations study was completed in 1994 which followed each passenger and each piece of luggage onto and off of the Airport. That study considered a BART underground alignment with a BART station in front of the International Terminal, the rental car facilities and the Ground Transportation Center in the towers. Since that time BART was relocated to the Option X position. The rental car facilities were moved out to the end of the remote corridor, and the Ground Transportation Center was relocated to the center of the first level of the existing garage. Consequently, the passenger count and the passenger use analysis had to be modified.

The initial key is 3,100 people per hour per direction, with the ultimate at 5,100 people per hour per direction. The typical design day was considered for August, 2003, though our initial operation will start in 2000. The ultimate is scheduled for 2006. The 2003 passenger volume is represented by 46-million passengers per annum.

The initial assumption was that in 2003 counting back to 2000, there will be a 10% decrease in passengers which translates into 5% decrease in ALRS passengers. The 2003 data was reduced by 5% initially and increased by 5% per ultimate passenger count.

With this information we ended up with a 31 vehicle fleet, requiring 29 switches in the alignment for operational and management purposes. There will be four or five oil distribution stations, depending upon the final system analysis.

The headway is presently contemplated at about 2 minutes. The travel time around the loop is 10 minutes round trip. The travel time to the remote corridor is 18 minutes round trip.

The overall project is broken down into five major and four minor projects. The major projects are the guideways with a construction budget of \$146.7-million, the operating systems with a construction budget of \$163-million, the maintenance facility with an initial construction budget of \$12-million, and the three domestic stations with an initial construction budget of \$23-million, including the bridges and the modifications to the terminal. The two remote stations are budgeted at \$2.4-million. Of these, the two major pieces are the guideway and the operating system, the budget for the guideway is on target.

This will be a low bid process. Bidders will submit three envelopes. The first envelope determines the price. The second envelope of the apparent low bidder will then be opened and that will address the extent of the company and its financial history. If that information is acceptable, the apparent low bidder's third envelope will be opened and that will address the technical management and responsiveness to procurement specifications. If the apparent low bidder fails in any of these steps, the envelopes of the next low bidder will be opened and the same evaluation will be performed.

Staff will return with the bid bond for the operating system at the next Commission meeting. We are encouraged by the fact that 4 or 5 suppliers expressed interest, with 3 of them aggressively pursuing this.

Commissioner Jeanpierre said that this was a very good report.

Commissioner Strunsky asked if he heard correctly that the train will be 3 cars long.

Mr. Kardos responded that it will depend on the supplier. The commonly known suppliers in the United States supply 3 cars.

Commissioner Strunsky asked how many people the cars will hold.

Mr. Kardos responded that our design is based on square footage, not on the number of people. The study assigned 3-1/2 sq. ft. per person and 1/2 sq. ft. per luggage. This resulted in an aggregate square footage that is almost twice as high as Denver and New York. The commonly known technologies in the U.S. accommodate about 60 or 70 people per car so the capacity will be around 200.

Commissioner Strunsky said that one of the drawings showed the maximum number of people and asked if it has been modified to show the new BART configuration.

Mr. Kardos responded that it has.

Commissioner Quan asked if a similar system is being used at other U.S. airports and, if so, have we studied them for their strengths and weaknesses.

Mr. Kardos responded that we have. The square footage is considerably higher than on other systems. Landside Operations wants to make sure that people get on the first train.

The second issue regards acceleration/deceleration. In order to achieve capacity requirements, a higher acceleration/deceleration is being pushed. We want to make sure that we have the right quality and that the trains don't jerk.

Several systems in use in the United States were examined and the number of passengers getting on the cars was counted. The two door car, regardless of the fact that they have excess capacity in the middle of the car, don't fill up because passengers like to stand at the doors. Sixty passengers is average.

Commissioner Quan said that he assumed that the spacing of the stations was also considered.

Mr. Kardos responded that the stations are functionally located in order to serve both the terminals and the employment centers in the best possible way.

Commissioner Quan asked if some of the ALRS trains will simply make the loop

runs and others will go all the way out to the rental cars.

Mr. Kardos responded that the inner loop will be a clockwise operation and will only travel the loop. It was initially contemplated to be an outer loop operation with every second or third train going on the roadway. With the relocation of the rental car facilities, it was necessary to send all trains from the outer loop onto the remote corridor. While we still have that option, practically, the inner loop will primarily serve the terminals and the outer loop will serve the remote corridor.

Commissioner Quan asked if the trains are reliable.

Mr. Kardos responded that the reliability factor is about 99.6%. All electrical track systems are more reliable than mechanical systems but they have inherent handicaps to mechanical systems, such as one train not being able to go around another train. Nevertheless, our switch locations are such that we will be able to travel around a stalled train.

Commissioner Strunsky asked if we are looking at a rail or rubber tire system.

Mr. Kardos responded that at this point if the steel on steel can live up to our noise limitations, we don't have any preference. The predominant system in the United States is the rubber tire system.

Commissioner Strunsky asked if the platforms are offset.

Mr. Kardos responded that they are not.

Commissioner Strunsky asked if passengers can get on a car going in either direction from the same platform.

Mr. Kardos responded that they are center platforms, with one notable exception.

Commissioner Jeanpierre asked if the maintenance cost equals out over time with the two systems.

Mr. Kardos responded that the machinery for steel on steel is more expensive, however, the rubber tires have to be changed.

Commissioner Strunsky asked if the system will start out with drivers but will ultimately be automated.

Mr. Kardos responded that there will be some manual demonstrations, but it will not be a manual system.

Commissioner Strunsky asked what the green lines going across the freeway indicated.

Mr. Kardos responded that those lines indicate BART.

Mr. Martin said that the design of the ALRS will not preclude a future extension to the West of Bayshore. This project is on time and within budget.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 5 through 10 were adopted unanimously. Item No. 4 was adopted by a 3 to 1 vote with Commissioner Mazzola casting the dissenting vote.

3. Reject All Bids - Contract No. 5500C - International Terminal Structural Steel

No. 96-0034

Rejection of all bids received for Contract No. 5500C, International Terminal Structural Steel and authorization for rebid when ready.

The low bid submitted by Koch/Danny's, A Joint Venture, is over the Airport's budget and the bidder has been found to be non-responsive in its bid.

Mr. Martin said that staff and our construction management firms have seen evidence of collusion on major construction contracts. We will make it known to firms in pre-bid briefings that we are watching closely for collusion.

We will be considering and evaluating obtaining separate bids for the purchase of steel and concrete so that we can lock in the supply of steel and concrete for our construction projects down the line.

Mr. Bordegaray said that two bids were received on January 9. The low bid was deemed non-responsive because one of the joint ventures was not licensed in the State of California. In addition, the low bid and the second bid were over budget.

This is a major contract so in order to address the issue of the two low bids being over budget, the architects along with the construction management firms went back and relooked at the design, resulting in significant changes not only in the steel but in the general building which will recoup those overbid amounts.

Mr. Bordegaray believed that there were several factors in the overbidding and one was the availability of the steel. We can't control that but we can anticipate it. In order to address that problem, the architect and engineers redesign effort indicates that we will be able to get new bids within the contract budget.

Rebidding the contract will postpone the award about two months. In order to be able to complete the building on time we are going to pick up those two months by relooking at the procurement schedule for steel and accelerating the box frame steel package. We want to maintain as much float time as we possibly can in case we encounter some unforeseen errors or problems.

Mr. Bordegaray asked project architect Mr. Ed McCrary to brief the Commission.

Commissioner Strunsky said that we are talking about a two month delay. We will call for bids two weeks from today at best. That will give bidders a month to bid the job. We are then looking at a bid date no sooner than the middle of March, which is already two months after the original bid date.

Mr. Bruce Swanson, construction manager explained that the original schedule called for awarding steel in February. Because of the re-bid, the earliest we can award is April. We can anticipate an 8 month procure/fabrication/delivery to the site process around September of this year. We will try and hold that date.

In talking with fabricators, it appears that the simpler box spring for the standard shoulder buildings, which is the critical path for this job, requires a lesser period of time to get through that process.

Commissioner Jeanpierre asked if this will recoup the time.

Mr. Swanson responded that it will.

Mr. McCrary said that immediately upon receipt of the bids we started looking at the nature of the structure and where a savings might be made. We took a look at the major bracing system we had primarily in the shoulder buildings and we found that the location of the bracing system had been driven architecturally. We developed a new bracing scheme that essentially stacks longer through the building and had very little effect on the organization of the building. We had to move some rooms around and ended up with a cross brace in the FIS area that we had

hoped not to have. We think we will save in the neighborhood of 3,000 to 4,000 tons of steel, or about 10% of the whole project.

We also looked at a number of architectural changes, most of which involved less detail on the exterior of the building. We will probably drop the roof 4-1/2 ft., from 80 ft. to 75 ft. No one will notice this and it will save a fair amount of money in the window wall.

Item No. 4 was adopted by a 3 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

4. Bid Call - Contract No. 5601E - Utility Relocations, Phase III

No. 96-0035	Resolution approving the scope, budget and schedule for Contract No. 5601E, Utility Relocations, Phase III, and authorizing the Director of Airports to call for bids when ready.
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Mr. Bordegaray explained that this is the third phase of a five phase program to relocate utilities. This contract will relocate utilities outside of the footprints of all of the Master Plan construction.

We expect to receive bids by February 20.

Commissioner Mazzola asked if this is the contract that relates to the shortening of Contract 5601D to Homer J. Olsen.

Mr. Bordegaray responded that it is. Contract 5601D work was assigned on task orders. One of the task orders on Contract 5601 D included a section of utility relocations which we have looked at again and have decided we would like to add more utility into that section. The addition is a fuel line, which is more advantageous for us to add in now than adding it in at a later date. It is advisable to add the work in this new contract and put it out for competitive bid.

5. Bid Call - Contract No. 5750A - North Field Cargo Facilities Utility Trench

No. 96-0036	Resolution approving the scope, budget, and schedule for Contract 5750A, North Field Cargo Facilities Utility Trench and authorizing the Director of Airports to call for bids when ready.
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Mr. Bordegaray said that this is a bid call for utilities to serve the North Field Cargo area. This contract has been split up into three different contracts. The first is this utilities transfer to provide utilities to the site. The other two contracts are the cargo building itself and the apron and taxiway parking area facilities adjacent and around the cargo building.

Some of the existing utilities that lead out to that area were in need of resizing and replacement. With the addition of the North Field Cargo, the amount that we needed to supply the utilities in that area increased.

6. Bid Call - Contract No. 5510A - Boarding Area A Site Preparation and Piling

No. 96-0037

Resolution approving the scope, budget, and schedule for Contract 5510A, Boarding Area A Site Preparation and Piling, and authorizing the Director of Airports to call for bids when ready.

Mr. Bordegaray explained that this is the first of three contracts for this particular project. We tried to divide this project up into smaller groups to provide bidding opportunities for a larger group of contractors.

The contract will be assigned to the general contractor for purposes of construction and scheduling interfacing. We expect to go out to bid this month and receive bids in March.

Commissioner Strunsky asked if this involved removing part of Boarding Area A.

Mr. Bordegaray responded that it does not. That will be a separate FOM contract.

Mr. Martin added that that contract has already been awarded.

7. Advance Approval of Noise Easements, Fiscal Year 1996/97

No. 96-0038

Resolution approving in advance Noise Easements for home insulation funds pursuant to the Master Plan Memorandum-of-Understanding (MOU).

Mr. Martin explained that this is an annual item. It approves 5,365 homes for insulation under the Master Plan Mitigation Program in the \$120-million MOU.

Commissioner Jeanpierre asked if this is what is left of the 10,000 homes that were to be insulated.

Mr. Martin responded that 2,000 to 3,000 homes are still to be insulated but have not been listed, nor has Commission approval been received.

8. Approval of Master Plan Mitigation Bonds (\$82,300,000.00)

No. 96-0039	Fourth Supplemental Bond Resolution providing for the issuance of \$82,300,000.00 par amount of Master Plan Mitigation Bonds (Noise Insulation) in accordance with the Master Plan Mitigation Memorandum-of-Understanding.
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Commissioner Strunsky asked what the difference is between Item Nos. 8 and 9.

Mr. Martin explained that Item No. 8 approves the sale of bonds and Item No. 9 authorizes us to seek Board of Supervisors approval to actually spend the funds.

Commissioner Strunsky asked what was meant by "The Airport is pursuing the remaining \$23.9-million through a Federal discretionary grant" as indicated on page 2.

Mr. Martin explained that the FAA staff has reserved allocated funding of \$23.9-million for this home insulation, but the funding is held up in Congress. Until that is resolved in Congress we do not know that the FAA staff will be able to fully appropriate these funds to the Airport.

Commissioner Strunsky noted that if we didn't receive that funding, we might be impinging on the \$125-million in the airline MOU.

Mr. Martin responded that if we were not to get this \$23.9-million, it would have an effect of about \$2-million annually against \$125-million in the debt service related to the sale of bonds. In our most recent bond sale we saved over \$1-million off the debt service and we have received a grant entitlement worth about \$14-million, which translates to about \$1.2-million in debt service. So, we are even with the \$125-million, even if we don't receive this \$23.9-million.

Commissioner Quan asked if we are over funding the bond issue for this noise insulation.

Mr. Martin responded that we want to be ready with the funds when the residents

are ready for their home insulation. It may be that we generate a significant amount of investment income from these bond proceeds so that if we don't receive the \$23.9-million, we might have \$7-million or \$8-million in investment income to offset that loss.

Commissioner Quan asked if we will make money over the debt service we will have to pay out.

Mr. Martin said that we have assumed in our financing plan that we will spend all of the money according to the schedule the communities have given us. However, the assumption is that they will spend slower than their estimates and we will have investment income.

9. \$82,300,000.00 Supplemental Appropriation Request - Master Plan Mitigation Noise Insulation Bonds

No. 96-0040	Resolution approving request for \$82,300,000. Supplemental Appropriation Issue 11 Proceeds, Master Plan Mitigation Noise Insulation Bonds in accordance with the Master Plan Mitigation Memorandum-of- Understanding.
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10. Approval of Contract No. 5601A - Utility Relocation Agreement

No. 96-0041	Resolution approving Contract No. 5601A, Utility Relocation Agreement, with Pacific Bell, a Pacific Telesis Company. The estimate for this work is \$2,500,000.00 for Phase I.
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Mr. Bordegaray explained that this is part of the utility relocations plan to clear the site for Master Plan projects. Contract 5601 series provides for conduit banks for utility relocations. One of the utilities is Pacific Bell, and those cables are owned by them. We will provide the ducts and they will purchase the cable and make the connections as part of their agreement. This defines their responsibilities and how much it will cost.

Commissioner Strunsky asked if Pacific Bell will put in the same kind of cable they are abandoning, or will they replace it with fiber optic. Are we paying the full cost of fiber optic?

Ms. Gogo Heinrich, Project Manager, BDC explained that until Pacific Bell

develops their fiber optic system, we cannot have fiber optics in a major portion of the Airport. However, we are trying to build a fiber optic system in the North Field cargo area when we have all new facilities.

Commissioner Jeanpierre asked if we will be responsible for the cost when Pacific Bell goes to fiber optics.

Mr. Bordegaray responded that we will probably have to pay for installing the cable but not for the duct bank installation. That is part of what we are doing now.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 through 18 were adopted unanimously.

Consent Items Relating to the Master Plan:

11. Award of Contract No. 3433B - Plot 3 Hardstands, Phase B

No. 96-0042

Resolution to award Contract No. 3433B, Plot 3 Hardstands, Phase B, to Millard Tong Construction, the lowest responsive, responsible bidder, in the amount of \$563,338.50.

Commission Mazzola noted that this bid is almost 30% less than the estimated budget. He was concerned that prevailing rates would not be paid.

Mr. Martin asked if any change was made in the scope.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance responded that no changes in the scope were made. A letter was sent to the contractor asking him to check his numbers to make sure he will meet the specs. The contractor responded that he does not have a problem with his bid.

Mr. Wong noted that one advantage for Millard Tong is that he is currently right next to the site so he does not have to deal with the issue of mobilization.

Commissioner Mazzola asked if this was a set aside.

Mr. Wong responded that it was not.

Commissioner Mazzola asked him to monitor the prevailing wage.

Commissioner Strunsky noted that this contractor will have to work very quickly.

Mr. Wong explained that we need this parking area in order to meet the construction schedule for the terminal contracts.

12. Bid Call - Contract No. 5902B - North Access Road Widening

No. 96-0043 Resolution approving the scope, budget, and schedule, and authorizing Director to call for bids for Contract 5902B, North Access Road Widening, when ready.

13. Approve Professional Legal Services Agreement with Law Firm of Farella, Braun & Martel in Joint Venture with Minami, Lew & Tamaki to Provide Professional Legal Services in Construction Law and Litigation Matters - \$50,000.00

No. 96-0044

14. Award Contract 3190 - Airport Fuel Systems Maintenance and Repairs, 1995-96

No. 96-0045 Resolution awarding Contract No. 3190, Airport Fuel Systems Maintenance and Repairs, 1995-96 to HSR, Inc., in the amount of \$291,700.00.

15. Award of Contract No. 2249B - North Terminal Automatic Doors Replacement

No. 96-0046 Resolution awarding Contract No. 2249B, North Terminal Automatic Doors Replacement, to Wild Automatic Door for \$272,972.00.

16. Declaration of Emergency - Contract 3641 - Super Bay Hangar Emergency Roof Repair

No. 96-0047 Resolution ratifying action of the President of the Commission in declaring the emergency at the Super Bay Hangar and authorizing the necessary repairs.

17. Design Approval - North Terminal Candy Store Lease

No. 96-0048

Resolution approving the design for the North
Terminal Candy Store Lease for ABC Cigar, Inc.

18. Retirement Resolution - Thomas Wright

No. 96-0049

* * *

I. PUBLIC HEARING:

The public hearing was called to order at 10:29 AM and adjourned at 10:31 AM there being no requests from the public to speak.

19. Hearing on Proposed Fiscal Year 1996/97 Budget - \$276,540,153.00

Mr. Martin explained that the proposed budget for next year is \$276.5-million. This represents an increase of \$30.4-million, or 12%. This large increase was anticipated in the Master Plan financing plan. Almost all of the increase is due to the Master Plan and the related debt service, \$27.7-million, and a \$2.7-million increase in non-Master Plan costs, which represents only 1% of the current year budget. There are no new programs in this year's budget. Our landing fees will go up, as anticipated in our financing plan, but we will still be the second lowest among major U.S. airports.

In terms of our contribution to the City, our payment of \$17.5-million will be almost twice the amount that any other city receives from its airport.

Commissioner Jeanpierre noted that SFO ranks fifth in the U.S and eighth in the world in total passengers. It ranks 11th in the U.S. and 19th in the world in cargo. Airline contributions are 27% now as opposed to a 51% in 1981.

Commissioner Jeanpierre asked that this report be circulated. The Airport is moving ahead in a very positive way.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:


The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation; and, Government Code Section 54957 regarding personnel matters (Deputy Director, Business and Finance).

The Airports Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

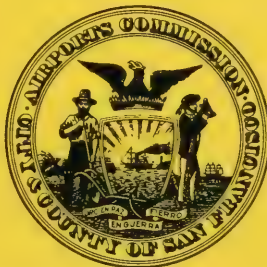
M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:33 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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FEBRUARY 20, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

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COMMISSIONERS

L. ANDREW JEANPIERRE
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MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission Meeting
February 20, 1996**

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**Minutes of the
Airports Commission Meeting
February 20, 1996**

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:02 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	L. Andrew Jeanpierre, President Marie K. Brooks, Vice President Michael S. Strunsky Roland A. Quan
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Absent:	Larry Mazzola
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 6, 1996 were adopted by order of the Commission President.

No. 96-0050

* * *

D. DIRECTOR'S REPORTS:

1. Status Report on Master Plan Projects

Status report on the Master Plan Project Expenditures as of January 15, 1996, and in accordance with the updated Master Plan Schedule dated January 15, 1996. This report also includes a verbal report based on an independent cost and schedule analysis for the Master Plan Program.

Mr. John Martin, Director of Airports asked Gene Bordegaray to brief the

Commission. He added that Tom Marlow of O'Brien-Kreitzberg provides a level of independent oversight on Master Plan projects. Although not involved on a day-to-day basis, Mr. Marlow is a senior person at O'Brien and advises him on the status of the program on a monthly basis. Jason Yuen provides independent oversight on a day-to-day basis.

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction explained that the report provides a summary of the progress, policy decisions and areas of concern. The executive summary bar chart provides a visual synopsis of what the performance has been on expenditures and the on-time performance of the contracts. The financial status spread sheet provides the information on expenditures in greater detail. That information is current to January 15.

There are some delays in pile driving. That lost time will be made up by double shifting and weekend work, if necessary.

Commissioner Brooks asked if we still have a problem with noise.

Mr. Bordegaray responded that the noise complaints have diminished considerably due to the cessation of the nighttime pile driving.

Commissioner Strunsky said that he was concerned about the cash flow shown on page 11 of the report which indicates that in the fourth quarter of 1995 we spent half of what we programmed to spend. If we spend these dollars at half the rate planned, the project will take twice as long to complete.

He asked that the next report not only indicate the original plan, but how we plan to make up the delays. He would like to see when we plan to spend money on an ongoing basis so that we can have a jump on where we are going, how we will make it up and whether it is possible to make it up.

Mr. Bordegaray said that the next report will include a section which will address how we are going to make that up.

Commissioner Strunsky assumed that while the Commission is seeing this report quarterly, that management and the consultants, O'Brien-Kreitzberg and the individual CMs, are at least dealing with this information on a monthly basis. Further, if anything significant occurs during the interim it should be brought to the Commission's attention in a special report.

Mr. Bordegaray responded that it is intended that we follow through with these quarterly updates, however, in the event something occurs that needs to be brought to the Commission's attention, it will be done in a special report.

Mr. Martin said that he is reviewing all of the time schedules. While we have money contingencies for the project, we have no time contingencies. He will be looking to make final adjustments to the project schedules to allow for some time contingencies. Senior Staff meets on a weekly basis to review cost control and program design issues on the Master Plan.

Commissioner Quan hoped that Senior Staff was monitoring the quality of the product in order to avoid correcting problems down the road.

Mr. Bordegaray explained that the Director has instructed that he be kept informed as to what is happening with the projects. The Director and Senior Staff receive periodic presentations on the status of the projects. It is during this time that concerns can be expressed and potential problems can be corrected.

Commissioner Jeanpierre asked Commissioner Strunsky, relative to his concerns regarding cash flow, at what point in the timeline will it be critical to know where we are.

Commissioner Strunsky responded that we had better know before the project is 20% completed.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 4 were adopted unanimously.

2. Selection of Architect for Airport Light Rail System Maintenance Facility

No. 96-0051

Mr. Boregaray explained that on February 2 the Architectural/Engineering Selection Panel interviewed four candidates for the ALRS Maintenance Facility. The selection was unanimous. The joint venture firm has achieved a goal of 26% MBE and 10% WBE. The goals set by the HRC were 17% and 3%.

He will return to the Commission for approval in March or April, after the contract

has been negotiated.

Commissioner Brooks asked what criteria was used by the committee.

Mr. Bordegaray responded that the list includes about 15 different criteria. The Committee basically used the history of the primes and their performance on projects. Confidential calls are placed to previous clients to determine performance. Interviews are conducted with individuals who will actually work on the project to determine experience levels, how they intend to attack the project, and what the team make up will be.

Commissioner Strunsky asked if a CM has been selected for this project.

Mr. Borderagary responded that it will be PGH Wong, the CM for the entire ALRS project.

Commissioner Strunsky asked if the CM will be involved in reviewing the drawings in their developmental stages to ensure that we are within our budget.

Mr. Borderaray responded that he will.

3. Authorization of Bid Call - Contract No. 5703A - Airport Light Rail System (ALRS) Operating System

No. 96-0052

Resolution approving the scope, budget and schedule for and authorizing the Director to call for bids when ready for Contract 5703A, Airport Light Rail System (ALRS) Operating System.

Mr. Bordegaray explained that at the last meeting the Commission was presented with a report on the Light Rail System, its scope and how it is intended to be operated. This item approves a bid call for the operating portion of the contract.

The contract, estimated at \$162-million, is going to be a design-build against a detailed performance specification. It will include design, manufacture, installation, testing, a demonstration of vehicles, the guidance system, track way and switches, train control and software, power supply and various operational equipment. It includes 3-years maintenance on the system once it is installed and operational. It is expected that the bids will be received in June and awarded around September.

The M/WBE goals for this contract have not been established but we expect them to be somewhere around the 10% to 12% range. We expect to meet those goals.

Commissioner Jeanpierre asked how many bidders are expected for this project.

Mr. Tom Kardos, Project Manager responded that we have five joint venture companies that have expressed an interest, three of which are very interested. Most of these are foreign companies, one is American.

The AG system, formerly Westinghouse, was purchased by a German company and joint ventured with a Swedish firm, forming the largest transit oriented company in the world. Sumitomo and Mitsubishi formed a joint venture and this is their first attempt in the North American market. There is also interest from Canadian and French firms.

Commissioner Strunsky congratulated Mr. Bordegaray on the way in which he plans to take these bids. He thought it was fair, met the requirements and at the same time, in a design and build contract, it is very effective. The idea of the three envelopes keeps the integrity of the bid process and still allows us to select a system that is best for us.

Commissioner Strunsky asked if we are sure that our specifications are giving the correct seismic requirements to the developers. If the seismic requirements are changed half way through it can cause problems both in schedule and cost.

Mr. Kardos responded that the seismic criteria included in the specifications is the state of the art. They were developed after both the Loma Prieta and Northridge earthquakes and are in line with CalTrans and BART criteria. We are as up to date as possible.

4. Modification No. 3 - Professional Service Agreement - Contract 5500 - Skidmore, Owings & Merrill - Del Campo Maru - Michael Willis Associates - \$900,000.00

No. 96-0053

Resolution approving fee for professional service to prepare design revisions for the interior of the International Terminal Departures level, the North Terminal bridge and connector building in order to preserve the ability to add moving sidewalks and escalator equipment to serve the BART station passengers.

Mr. Bordegaray explained that this modification will accommodate the BART facilities and its passengers. The connector building between the International and North Terminals is part of this design package, along with provisions for future moving walks and escalators and the entry portal into the International Terminal at

the departure level.

The work is intended to meet the level of passenger service agreed upon by the Airports Commission and BART at a previous meeting.

This work will be assigned some time in April. We will hold off as long as we can without affecting the design schedule of the contract.

Commissioner Strunsky noted that if BART never arrived at the Airport there is nothing in these modifications that will do anything but improve our facility. This is a positive change under any circumstance.

Mr. Bordegaray agreed. The connector building will be widened but that additional width will make it more efficient to move between the buildings. The provisions for the moving walkways and the escalators are designed into the building and can be put in the building at any time we choose.

Commissioner Strunsky noted that these funds are also reimburseable if BART never makes it to the Airport.

Mr. Martin added that these funds are under a guarantee agreement that we have with BART. Any construction or design cost related to this will be paid out of the \$200-million.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item Nos. 5 through 7 were adopted unanimously.

5. Acknowledgement of the Termination of Kass Management Services' Sublease

No. 96-0054	Resolution acknowledging the termination of the sublease with Kass Management Services for the Hangar Restaurant and the South Terminal Employees' Cafeteria.
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Mr. Bob Rhoades, Acting Deputy Director for Business and Finance explained that on August 1, 1995 Kass Management Services filed for bankruptcy. Under the bankruptcy they were given the option to either reject, assume or assume and assign the sublease. They chose to reject the sublease.

Mr. Martin added that Host is undertaking a new selection process and a new

sublessee will be selected by the end of April. Host is also continuing to operate the space to ensure adequate passenger service.

Commissioner Jeanpierre asked if the Airport will have any input into the selection process or do we simply wait until it reaches us for approval.

Mr. Rhoades explained that we will have input. Host is under a mandate from the Airport to make the selection within 90 days. The whole process will be overseen by Sandra Crumpler.

Commissioner Jeanpierre asked if one of the businesses was less profitable than the other, or were they both unprofitable.

Mr. Rhoades responded that he did not believe that it had anything to do with the businesses themselves, rather it appears to have something to do with financial management. Of the eight sublessees that were originally selected for this program, this one has had the most difficulty from the start.

Commissioner Jeanpierre assumed that based on past statistical information they were profitable before Kass took them over.

Mr. Rhoades said that that was correct. Host provided the profit and loss statements for each facility for the selection process. At that time, all of these sublease facilities were profitable.

6. Award of the North Terminal California Products Shop Lease

No. 96-0055	Resolution awarding the North Terminal California Products Shop Lease to Marilla Chocolate Company, Inc.
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Mr. Rhoades said that four bids were received for this lease. The minimum annual guarantee for this lease was \$100,000.00 and Marilla Chocolate Company bid \$282,132.00 for the first year. Marilla Chocolate is a WBE.

7. Approval of the Fiscal Year 1996/97 Budget

No. 96-0056	Resolution approving the proposed FY1996/97 Budget in the amount of \$276.5-million.
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Mr. Martin said that this item approves the Airport's budget. A public hearing

was held at the last meeting and no public comments were made.

Almost all of the increases relate to the Master Plan, primarily in debt service.

Commissioner Brooks asked what is meant by revenue from commissions.

Mr. Martin explained that that is primarily fuel sales.

Commissioner Brooks asked what was meant by revenue from security services.

Mr. Martin explained that the airlines reimburse us for our security costs at the security checkpoints to each boarding area. Airport Police are stationed at each checkpoint in addition to the airline security agents. The airlines reimburse us on a per passenger basis.

* * *

H. POLICY:

Item No. 8 was adopted unanimously.

8. Establishment of the Administration Division

No. 96-0057

Mr. Martin said that he is recommending the creation of an Administration Division to oversee computer services, personnel, labor relations and development with respect to the Master Plan and the Medical Clinic operation.

The creation of this division recognizes both the additional work load required by the Master Plan as well as reducing the number of direct reports to him.

This will allow more time to be devoted to personnel and computer services at a senior management level that has not been possible before. The labor relations area will become very important as we progress on the Master Plan. As union issues come up we will be prepared to address them and have relationships established.

Commissioner Brooks asked how many additional personnel will be necessary.

Mr. Martin responded that there will be no additional personnel. Even the new position that will head this division is a substitution from an existing position.

Commissioner Strunsky asked where this division will fall in the organizational chart.

Mr. Martin responded that Administration will be at the same level, looking from the left side, as FOM. The Medical Clinic, which is not on the organizational chart, now reports directly to him. Personnel, currently under Business and Finance, will go under Administration. Data Processing, also currently under Business and Finance, will be renamed Computer Services and moved to Administration. Labor Relations and Development is not identified on the organization chart and is currently split among several different areas. This will involve both labor relations and prevailing wage enforcement and will be included under Administration. Part of prevailing wage enforcement is handled by FOM and part by BDC. It will be pulled together under one office.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Consent Items Relating to the Master Plan:

Item Nos. 9 through 13 were adopted unanimously.

9. Modification No. 15 to Professional Legal Services Agreement (Noise Contract) with Morrison & Foerster to Enlarge Scope of Services and to Increase Compensation in the Amount of \$500,000.00

No. 96-0058

Resolution approving modification of scope of work to legal services agreement (noise contract) with law firm of Morrison & Foerster to include environmental matters and increase compensation in the amount of \$500,000.00.

Consent Items Relating to Administration, Operations & Maintenance:

10. Award of Contract No. 3133 - As-Needed Electrical Repairs

No. 96-0059

Resolution awarding Contract No. 3133, As-Needed Electrical Repairs, to Barri Electric Company, Inc. in the amount of \$288,980.00.

11. Agreement with Rides for Bay Area Commuters for the Ground Transportation

Hotline and Other Services Related to Transportation Demand Management

No. 96-0060 Renew contract with RIDES for Bay Area Commuters to staff the Airport's Ground Transportation Hotline and provide other services related to transportation demand management.

12. Modification No. 5 to Delta Airlines, Inc.'s Lease and Use Agreement No. 82-0115

No. 96-0061 Resolution approving Modification No. 5 to Delta Airlines, Inc.'s Lease and Use Agreement No. 82-0115.

13. Resolution Ratifying Personnel Actions

No. 96-0062 Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

J. SPECIAL ITEM:

Item No. 14 will be discussed at 10:30 AM.

Item No. 14 was adopted as amended by a 3-1 vote, with Commissioner Brooks casting the dissenting vote. A complete court reporter's transcript of this item is available.

14. Consideration of Staff Recommendation to Terminate Concession Agreement with Limousine 2000, Inc.

(The Commission will go into closed session in accordance with Government Code Section 54956.9(c) to confer with legal counsel.)

No. 96-0063

* * *

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There was no discussion.

* * *

L. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

M. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation; and, Government Code Section 54957 regarding personnel matters (Deputy Director, Business and Finance).

The Commission recessed its meeting at 9:30 AM to go into closed session and resumed the meeting at 10:30 AM.

* * *

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 1:05 PM.


Jean Caramatti
Commission Secretary

Memorandum

To: AIRPORTS COMMISSION
Hon. L. Andrew Jeanpierre, President
Hon. Marie K. Brooks, Vice President
Hon. Michael S. Strunsky
Hon. Roland A. Quan
Hon. Larry Mazzola

CC: Hon. Willie Brown, Mayor

FROM: Current management of Limousine 2000, Inc.

SUBJECT: Termination of Limousine 2000, Inc.'s, concession agreement

DATE: February 17, 1996

This memorandum sets out Limousine 2000, Inc.'s response to the Memorandum of John Martin, Director of Airports, dated February 16, 1996 ("the Memorandum"), in which the Airport administration urges cancellation of Limousine 2000, Inc.'s concession agreement. Current management believes that the Memorandum is filled with misleading and inaccurate information and appears to reflect the Staff's sympathies in the ongoing dispute between former and present management. As your Commission's decision will have an immediate and far-reaching impact on the livelihoods of at least 150 families, current management considers it imperative that you have at your disposal all of the facts that show that many of the Memorandum's allegations are factually incorrect or are the product of apparent bias rather than an objective review of the operations that Limousine 2000, Inc., continues to conduct despite the efforts of those who would gain from their disruption.

Preliminary Statement. Before setting forth Limousine 2000, Inc.'s responses to the Memorandum's allegations, current management wishes to state formally its concern about the Airport staff's apparent partiality since January 29, 1996, the date that Marie Davis and Yousef Bakir were replaced as corporate officers and their employment by the corporation terminated. Of particular concern to current management is that, from that date, someone in Airport management has consistently provided Davis and Bakir with inside information that was inconsistent with what current management received, but which always proved correct. For one example, Bakir's and Davis' attorneys told one of current management's attorneys on several occasions during the week of February 5 that the Airport staff was going to recommend revocation of the concession agreement, although no one at the Airport had passed on similar information in any of the current management's numerous contacts with the staff. For another example, on February 15, 1996, one of Bakir's and Davis' attorneys represented to one of current management's attorneys that he had been informed that your Commission would receive an agenda item for the February 20 meeting

in which staff recommends revocation of the concession agreement, although that agenda item was not presented until nearly 24 hours later; when pressed for his source of that information, Bakir's and Davis' attorney declined to provide it. As another example, there is strong evidence that Bakir received and was distributing the Memorandum many hours before present management received it.

For the reasons stated below, current management believes that the Memorandum reflects more on staff sympathies in the management dispute than it does on any valid public interest. It is Limousine 2000, Inc.'s sincere hope that your Commission is more interested in assuring the best possible limousine service at the Airport than merely acceding to apparent staff partiality.

Responses to specific points raised in Memorandum. Set out below are Limousine 2000, Inc.'s brief responses to the points raised in the Memorandum.

Allegation: As a result of the ensuing internal strife, Limousine 2000, Inc., has been experiencing operational difficulties at the Airport. There have been public incidents of fighting between drivers, vandalism of limousine vehicles and lounges, allegations of drivers possessing weapons, solicitation of passengers and inadequate service to patrons.

Response: Current management disputes that service to patrons has been inadequate. Since the change in management, no patron has had to wait more than fifteen minutes for service, which is consistent with past practice. Further, the Airport apparently has received no more than three patron complaints and the corporation has received none.

As the current management has not inspected the complaints received by the Airport, it has no knowledge of whether the incidents giving rise to them were Limousine 2000, Inc.'s responsibility or that of Bakir and Davis, for whose failings the staff has held present management accountable under a concession agreement clause requiring the concessionaire to "accept responsibility for its employees, independent contractors, operators and representatives." (See the letter of John Martin to Michael S. Rubin, Attorney at Law, dated February 9, 1996.) That Bakir and Davis remain shareholders, without more, does *not* make them employees, independent contractors, operators and representatives in any respect, let alone within the meaning of the contract, and current management is at a loss for staff's reasons for trying to hold it accountable for the failings of those who clearly do not act for it.

As for the alleged incidents of disruption, *each and every one* was caused by Bakir, Davis, or persons aligned with them, not current management.

Many of the violent incidents were caused by Bakir and other restrained persons in violation of temporary restraining orders issued against them. Similarly, the solicitation incident was attributable to vehicles operated by Davis' and Bakir's company, Airport Meridian Limousine, not Limousine 2000, Inc., as the Airport administration pointed out itself in the letter to current management imposing a fine for Bakir's and Davis' violations of Airport regulations.

Allegation: The staff received a letter from the California Public Utilities Commission in which that Commission stated that "the current situation is not in the best interests of the traveling public."

Response: From conversations between one of its attorneys and the California Public Utilities Commission enforcement personnel, Limousine 2000, Inc., now believes that the Airport staff requested a letter with those precise words from the California Public Utilities Commission to support the staff's preordained conclusion that the concession agreement should be terminated, and that the letter would not have been written otherwise. During several conversations between current management's attorney and California Public Utilities Commission staff, the latter appeared quite satisfied that Limousine 2000, Inc., could continue operations *either* under the PSC certificate that it had previously used (issued in Davis' and Bakir's names) because the PSC had been transferred to Limousine 2000, Inc. in fact. *or* under the PSC certificate issued to Alazzeah and Princeton's corporation (because Alazzeah and Princeton own the same number of shares as Bakir and Davis.).

The Airport staff had no problem whatsoever with Limousine 2000, Inc.'s operations during the sixteen months in which the corporation purportedly operated under Davis' and Bakir's personal rights. Accordingly, it can only be due to impermissible bias that it now will not recognize two weeks' worth of operations under an equally valid certificate issued to shareholders holding exactly the same number of shares as do Bakir and Davis.

Allegation: The Airport has had to assign police to monitor the limousine staging area and fined Limousine 2000, Inc., for solicitation.

Response: The police were assigned *at the request and expense of current Limousine 2000, Inc., management*, as the restraining orders were being violated at will. The only solicitation incident was the one caused by Bakir and Davis. for which the staff, for unfathomable reasons, holds the current management responsible.

Allegation: Since this matter was brought to the Airport's attention staff has spent enormous amounts of time meeting with limousine drivers in an effort to resolve the operational problems with no success. It also has been necessary to increase security at the staging areas and terminal complex to address any potential incidents of violence.

Response: Current Limousine 2000, Inc., management has no information whatsoever about meetings with drivers. The Airport staff has not consulted it on driver issues.

There is no contention that Limousine 2000, Inc.'s, current management or anyone connected with it has engaged in any violent behavior. As has been explained, the increased security in the staging area was placed there at the request of and paid for by current management due to the continuing violations of restraining orders by Bakir, Davis, or persons aligned with them. Current management knows nothing of increased security at the terminal complex, but applauds the staff's response to the ongoing security risks created by Bakir, Davis, and their associates.

Allegation: Airport staff met with current management to discuss certain alleged violations.

Response: The violations identified were *all* caused by Bakir, Davis, or those aligned with them, and the Airport police intervened in each case because current management sought protection from those persons, and the staff knew that was the case before the meeting began. At the meeting, current management assured Airport staff that it was doing everything a private citizen can do to control the behavior of other private citizens, including the obtaining of restraining orders, and both requested and stated its willingness to pay for the additional security that the Airport ultimately provided. Nonetheless, the staff continues to attribute responsibility for the attacks on current management to that management itself.

Allegation: The Airport has received complaints from the traveling public on the lack of service offered by Limousine 2000, Inc. There have been more complaints in the past few weeks than in the preceding year and a half.

Response: This is an odd statement, considering that current management has not received any complaints and that the Memorandum identifies only three. If there were as many as three complaints, it is inherently incredible that only

one or two complaints were received during the previous management's tenure. since current management knows that the number is far higher. Limousine 2000, Inc., cannot understand why the staff's memory is so selective.

In reality, current management has had in excess of twenty-five vehicles available every single day since January 29, 1996. a number far in excess of the ten required under the contract. The vehicles, *upon the advice of Airport police*, have been staged away from the designated staging area, but they have been readily available to the traveling public and have been utilized to render service that is substantially identical to that rendered before the change in management. Staff has never asked current management about its performance records and, instead, has been content to jump to conclusions because it seems predisposed to find contract violations where they do not exist.

Allegation: Additionally, according to the limousine drivers who were laid off, they were refused a meeting with the new management of Limousine 2000, Inc. There have been approximately 28 drivers released for no apparent reason. The drivers each have a deposit of \$3,500 on file with Limousine 2000, Inc. The drivers were told that Limousine 2000, Inc., would not be able to immediately return their deposits.

Response: These allegations are so false or distorted that they would be defamatory if unprivileged. *No drivers have been laid off by Limousine 2000, Inc.'s current management. Moreover, current management has offered to sign the form of contract prepared by the subcontractors themselves, and the subcontractors now refuse to sign that very document. Further, the disgruntled drivers constitute only a third of Limousine 2000, Inc.'s fleet, and the remaining drivers have continued to work for the entire two weeks since the former management was replaced.*

It is true that Bakir and Davis, themselves, were terminated as subcontractors, but it hardly was "for no apparent reason." (Although it should be directly at issue here, current management will be pleased to make available to the Airport Commission its reasons for termination of Bakir's and Davis' subcontracts, none of which were pretextual and all of which were justified wholly.) Since then, Bakir's and Davis' drivers have continued to drive for them in the conduct of Airport Meridian operations, as is evidenced by the solicitation citation for which the staff holds Limousine 2000, Inc. accountable.

None of Limousine 2000, Inc.'s eighteen other drivers was "released" or otherwise refused work; to the contrary, those drivers refused to work for the current management because, *according to the drivers themselves*, Bakir told them that the Airport staff assured Bakir that it would terminate the Limousine 2000, Inc., contract, that Davis and Bakir would be the replacement contractors, and that any driver who worked for current management would be able to work for Davis and him when they got the new contract. In the last several days, the drivers have refused to sign the agreement they proposed because, current management is informed and believes, the subcontractors now believe that your Commission will replace Limousine 2000, Inc., either with Davis and Bakir or with Airport Connection, which also may have informed the subcontractors that they will be rewarded if they assist in the competitive effort to have the concession agreement terminated.

The drivers do not have deposits of \$3,500; rather, the deposits generally are less than \$1,000 and cover the radios issued to the drivers and credit card proceeds. No one in current management has told any driver that he could not have his deposit returned; rather, each who inquired was told that his deposit would be refunded *at the same moment* as the driver returns the secured assets to Limousine 2000, Inc.

Finally, the only persons with whom current management has refused to meet are Bakir and Davis. Current management, in fact, has had no fewer than five meetings with the subcontractors, including some who were subject to the restraining orders. As Limousine 2000, Inc., has been prepared to sign the subcontractors' own form for several days, it is only the staff's leakage of the information about the contract to Bakir and Bakir's further leakage of the information to the subcontractors that has prevented the contract from being executed.

Thus, there is no truth whatsoever to anything in the allegations about drivers. That the Airport staff would even call them to your attention, especially without ever inquiring of current management regarding their veracity, is egregious and suggests strongly that bias is the motivation behind the staff's position.

Allegation: The Airport has been informed by both rivaling corporate officers that there are mutual restraining orders issued by the Court. Obviously, this directly affects the limousine operation being rendered to the public.

Response: Current management does not know what the staff was told about restraining orders by former management (not "rivaling corporate officers," as they were removed by a unanimous vote of a quorum of directors, physically convened after notice). Accordingly, staff could be unaware of how preposterous this allegation is. In reality, the restraining orders obtained by the parties are *not* mutual, and *neither* has anything whatsoever to do with Limousine 2000, Inc.'s day-to-day operations or the conduct of activity under the concession agreement.¹

Allegation: Airport staff has met with the released drivers to hear their side of the story. The drivers have been out of work for almost two weeks and they are not sure that if they will be allowed to return. According to the drivers, new management will not return their phone calls.

Response: As is shown above, this allegation is grossly untrue. Had staff bothered to inquire concerning the status of the subcontractor negotiations, it would have learned that current management and the subcontractors have been in constant contact and that a form of contract would have been executed had the information about this agenda item not been leaked.

Allegation: As of February 12, 1996, Limousine 2000, Inc., owes the Airport \$81,487.37. This includes the minimum annual guarantee, late charges, and monthly transportation loop fees for the months of September, 1995, through January 1996.

Response: To use the arrearages as a basis for termination is disingenuous and arbitrary in the extreme. Bakir and Davis were not removed from office until January 29, 1996. Prior to that time, they had a death-grip on Limousine 2000, Inc.'s finances, failing to provide accurate financial information even to the corporate treasurer. The arrearages were *all* accrued solely through and as a direct and proximate result of Bakir's and

¹ Current management's restraining orders against Bakir, Davis, and their named associates prevents harassment of current management. Bakir's and Davis' restraining orders against current management prevent it from implementing a litigation settlement and require current management to return the personal property that was in Bakir's and Davis' offices when their employment terminated, to allow Bakir and Davis to visit the corporation's offices for certain purposes, to release certain disputed bank accounts, and to allow Bakir and Davis access to personal mail addressed to the corporate post office box. If you wish to verify these representations, current management will be pleased to provide copies of the restraining orders to you.

Davis' gross mismanagement of the corporate finances, to the point that the corporation's records show that they withdrew or diverted into their personal accounts tens of thousands of dollars in corporate funds during the five months the arrearages accrued, rather than use those funds to pay the corporation's legitimate debts.

During this time, Airport staff apparently was content to look the other way, as current management's review of the corporate records fails to disclose a single demand for payment of accounts from anyone on the Airport staff prior to February 15, 1996, at which point staff gave current management only three days to bring the account current in full or face immediate termination of the contract. Current management urges your investigation of the reasons why the staff allowed the arrearages to build up to the extent that they did when Bakir and Davis ran the corporation.

Due to the size of the arrearages, current management is unable to pay the arrearages in full at this time, in significant part because Bakir withdrew substantial sums from the corporation's working fund account the day he was terminated. It, however, is willing to enter into a good faith installment payment plan with the Airport in order to pay off the arrearages, and pledges to make all remaining payments under the contract when they are due.

Suggested Alternative Resolution. Limousine 2000, Inc., acknowledges that the much-needed transition from the former to the current management has not gone as smoothly as it would have liked, in part because it underestimated the degree to which others would work actively to cause the concession agreement's cancellation. Accordingly, it is willing to accept a probationary period of reasonable length in which to conduct its operations subject to close scrutiny by the Airport management. Current management asks that the probationary period be at least ninety days as the arrearages it inherited now require it to seek capital infusions and it is likely that a shorter probation period would hinder efforts to find investors or lenders.

Conclusion. For the reasons set out above, it appears to the current management of Limousine 2000, Inc., believes that the bases relied on by the Airport staff for its recommendation are pretextual and reflect staff bias towards former management. With the livelihood of at least 150 families directly at stake, current management is willing to put under oath the responses to the allegations set out above. Limousine 2000, Inc., apologizes for the length of this memorandum, but hopes that having all of the relevant facts will assist you in making your determination whether to honor the staff recommendation.

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	772	ANDRE	4:00			US/CO/TW/DL/INT/AA/UA	
	778	MIKE	4:00	847	SR	US/CO/TW/DL/INT/AA/UA	60
	788	HAKRAM	4:00	1057	PVT	US/CO/TW/DL/INT/AA/UA	7
	790	William	4:00	1057	SR	US/CO/TW/DL/INT/AA/UA	60
	702	Rami	4:00	839	SR	US/CO/TW/DL/INT/AA/UA	60
	704	WALFED	4:00			US/CO/TW/DL/INT/AA/UA	
	712	MATTHEW	4:00	7:35	SR	US/CO/TW/DL/INT/AA/UA	60
	720	Mohammed	4:00	917	SR	US/CO/TW/DL/INT/AA/UA	60
	722	WABIL	4:00	8:54	PVT	US/CO/TW/DL/INT/AA/UA	60
	724	GEORGE	4:00	900	SR	US/CO/TW/DL/INT/AA/UA	60
	728	Bruce	4:00	1103	SR	US/CO/TW/DL/INT/AA/UA	60
	732	Richard	4:00	905	SR	US/CO/TW/DL/INT/AA/UA	60
	748	HAKRAM	4:00	905	PVT	US/CO/TW/DL/INT/AA/UA	70
	776	Juan	400	909	SR	US/CO/TW/DL/INT/AA/UA	60
	778	MIKE	4:00	847	SR	US/CO/TW/DL/INT/AA/UA	60
	712	MATTHEW	7:35	1040	SR	US/CO/TW/DL/INT/AA/UA	60
	702	MIKE	835	950	SR	US/CO/TW/DL/INT/AA/UA	60
	778	MIKE	847	1115	PVT	US/CO/TW/DL/INT/AA/UA	50
	722	Nabeel	851	10:00	PVT	US/CO/TW/DL/INT/AA/UA	50
	72	MIKE	8:51			US/CO/TW/DL/INT/AA/UA	
	778	MIKE	915	446	SR	US/CO/TW/DL/INT/AA/UA	80

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772	ANDRE	4:00			US/CO/TW/DL/INT/AA/UA	
788	HAKKEM	4:00	1130		US/CO/TW/DL/INT/AA/UA	45
790	William	4:00	1028	SR	US/CO/TW/DL/INT/AA/UA	60
702	Rami	4:00	1000	SR	US/CO/TW/DL/INT/AA/UA	70
704	WALAD	4:00	250	SR	US/CO/TW/DL/INT/AA/UA	90
712	MAHMOOD	4:00	1037	PVT	US/CO/TW/DL/INT/AA/UA	
720	MOHAMMED	4:00	1101	PVT	US/CO/TW/DL/INT/AA/UA	45
722	NABIL	4:00	7:50	SR	US/CO/TW/DL/INT/AA/UA	60
724	GEORGE	4:00			US/CO/TW/DL/INT/AA/UA	
728	BRUCE	4:00	8:02		US/CO/TW/DL/INT/AA/UA	60
732	RICHARD	4:00	943	PVT	US/CO/TW/DL/INT/AA/UA	60
748	HAKKEM	4:00	1028	SR	US/CO/TW/DL/INT/AA/UA	60
776	JUAN	4:00	1023	SR	US/CO/TW/DL/INT/AA/UA	60
778	MIKE	4:00	830	SR	US/CO/TW/DL/INT/AA/UA	60
722	NABIL	7:50	1028	PVT	US/CO/TW/DL/INT/AA/UA	60
728		8:02	1048	SR	US/CO/TW/DL/INT/AA/UA	60
778		830	1004	PVT	US/CO/TW/DL/INT/AA/UA	45
732		943			US/CO/TW/DL/INT/AA/UA	
702	PITO	1000	11:46	SR	US/CO/TW/DL/INT/AA/UA	70
748	SOFIA	1020	12:40	SR	US/CO/TW/DL/INT/AA/UA	80
776	JUAN	1023	12:20	SR	US/CO/TW/DL/INT/AA/UA	60
722	Nabeel	1027	1125	SR	US/CO/TW/DL/INT/AA/UA	60
790	WILLIAMS	1028	12:15	PVT	US/CO/TW/DL/INT/AA/UA	60

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707	SHUKRI	4:00	4:25	PJT	US/CO/TW/DL/INT/AA/UA	35
709	TALAL	4:00	11:40	sk	US/CO/TW/DL/INT/AA/UA	40
717	PIERRE	4:00	10:56	PVT	US/CO/TW/DL/INT/AA/UA	35
721	ALEX	4:00	10:08	PVT	US/CO/TW/DL/INT/AA/UA	40
725	ISSA	4:00			US/CO/TW/DL/INT/AA/UA	
727	MATMOO	4:00	7:37	SR	US/CO/TW/DL/INT/AA/UA	35
731	MATMOO	4:00				
741	MARCIO	4:00	11:15		US/CO/TW/DL/INT/AA/UA	35
755	GHADDA	4:00	6:11	PJT	US/CO/TW/DL/INT/AA/UA	35
757	SAMI	4:00	7:52	PJT	US/CO/TW/DL/INT/AA/UA	35
777	NICK	4:00	8:56	SR	US/CO/TW/DL/INT/AA/UA	40
787	KAMAL	5:51	9:16	PVT	US/CO/TW/DL/INT/AA/UA	35
755	GHADDA	6:11	10:48	SR	US/CO/TW/DL/INT/AA/UA	40
727	MATMOO	7:45	10:18	PVT	US/CO/TW/DL/INT/AA/UA	35
757		7:52	12:50	P	US/CO/TW/DL/INT/AA/UA	35
777	NICK	8:56	10:55	PVT	US/CO/TW/DL/INT/AA/UA	35
787	SAMI	9:16	11:15	PVT	US/CO/TW/DL/INT/AA/UA	35
757	SAMI	9:43	check 3 hours		US/CO/TW/DL/INT/AA/UA	135
731	A.S.	9:55	12:17	SR	US/CO/TW/DL/INT/AA/UA	40
721	ALEX	10:08	10:56	PVT	US/CO/TW/DL/INT/AA/UA	35
727	SAMI	10:18	11:50	sk	US/CO/TW/DL/INT/AA/UA	40
755	FREDERIC	10:54	11:47	PJT	US/CO/TW/DL/INT/AA/UA	45

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712	McMood	1216	331	SR	US/CO/TW/DL/INT/AA/UA	70
778	Mike	1231	717	PJT	US/CO/TW/DL/INT/AA/UA	45
732	Richard	1246	158	SR	US/CO/TW/DL/INT/AA/UA	60
724	George	1247	500	SR	US/CO/TW/DL/INT/AA/UA	60
776	Juan	1253	359	PJT	US/CO/TW/DL/INT/AA/UA	35
728	Bruce	117	601	SR	US/CO/TW/DL/INT/AA/UA	70
722	Nabil	119	537	PJT	US/CO/TW/DL/INT/AA/UA	40
702	Ramy	1223	427	SR	US/CO/TW/DL/INT/AA/UA	60
720	Mohammed	129	501	PJT	US/CO/TW/DL/INT/AA/UA	45
732	Richard	158	525	SR	US/CO/TW/DL/INT/AA/UA	40
712	McMood	331	545	SR	US/CO/TW/DL/INT/AA/UA	60
776	Juan	359	650	SR	US/CO/TW/DL/INT/AA/UA	70
772	ANDRE	425	625	PJT	US/CO/TW/DL/INT/AA/UA	75
702	RAMI	427	755	PJT	US/CO/TW/DL/INT/AA/UA	40
724	GEORGE	500	802	SR	US/CO/TW/DL/INT/AA/UA	60
720	MOHAMED	501	720	SR	US/CO/TW/DL/INT/AA/UA	60
732	EMEL	525	836	SR	US/CO/TW/DL/INT/AA/UA	60
724	NABILL	525			US/CO/TW/DL/INT/AA/UA	
704	WALLID	539	941	SR	US/CO/TW/DL/INT/AA/UA	60
712	MAHMOUD	545	846	SR	US/CO/TW/DL/INT/AA/UA	60
728	BORUSE	601			US/CO/TW/DL/INT/AA/UA	

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(SHIFT)

START:

END:

CAR	DRIVER	T/IN	T/OUT	SR * PVT	DESK	CODE
707	shukri	1123	356	POT	US/CO/TW/DL/INT/AA/UA	35
757	Samir	1124	1258	POT	US/CO/TW/DL/INT/AA/UA	40
787	Kamel	1142	318	POT	US/CO/TW/DL/INT/AA/UA	35
755	Gandy	1145	1258	POT	US/CO/TW/DL/INT/AA/UA	40
741	Maricio	1205	133	SR	US/CO/TW/DL/INT/AA/UA	40
713	Muke	1209	313	POT	US/CO/TW/DL/INT/AA/UA	75
709	Talal	1229	109	PVT	US/CO/TW/DL/INT/AA/UA	65
757	Samir	1258	441	PVT	US/CO/TW/DL/INT/AA/UA	35
755	Gandy	1258	303	POT	US/CO/TW/DL/INT/AA/UA	40
709	Talal	109	432	PVT	US/CO/TW/DL/INT/AA/UA	95
741	Maricio	133	432	PVT	US/CO/TW/DL/INT/AA/UA	35
727	Mcmoud	209	355	POT	US/CO/TW/DL/INT/AA/UA	35
755	Gandy	303	447	PVT	US/CO/TW/DL/INT/AA/UA	55
777	NICK	309	507	PVT	US/CO/TW/DL/INT/AA/UA	35
713	Muke	313	458	PVT	US/CO/TW/DL/INT/AA/UA	75
787	Kamel	318	436	PVT	US/CO/TW/DL/INT/AA/UA	35
727	Mcmoud	355	533	PVT	US/CO/TW/DL/INT/AA/UA	35
707	shukri	356	717	PVT	US/CO/TW/DL/INT/AA/UA	35
709	NICK	432	700	PVT	US/CO/TW/DL/INT/AA/UA	65
741	MORICIO	432	557	PVT	US/CO/TW/DL/INT/AA/UA	75
787	KMALL	436	638	PVT	US/CO/TW/DL/INT/AA/UA	35
787	NORMAN	441	607	PVT	US/CO/TW/DL/INT/AA/UA	35
755	GANDY	447	602	PVT	US/CO/TW/DL/INT/AA/UA	35

JA

February 15, 1996

To Whom It May Concern:

We, the undersigned, were among the subcontractors for Limousine 2000, Inc., before the change in its management that occurred on January 29, 1996. Some of us were among the original subcontractors who provided service to the traveling public at the inception of the company's operation.

We sign this letter to provide assurance to the San Francisco International Airport and all other governmental authorities that we are ready, willing, and able to offer our full support to the new management of the company and to assist it in providing first-class and efficient service to the travelling public.

We understand that the company's former management has informed the Airport Administration that the company subcontractors are loyal to them and that we are unwilling to operate under the new management. We want to go on record as stating, unequivocally, that nothing could be further from the truth.

The truth is that we have been manipulated by the former management of the company into believing that our positions would be imperiled if we agreed to work with the new management. Initially, Mr. Yousef Bakir told us that he had obtained the Airport's assurance that the Airport Administration would terminate the Limousine 2000, Inc., concession agreement and then install Mr. Bakir and V. Marie Davis as the sole concessionaires because certain personnel at the Airport have strong personal relationships with Mr. Bakir and Ms. Davis. As a result, Mr. Bakir assured us, Limousine 2000, Inc., would be forced into bankruptcy.

When we heard this information from Mr. Bakir, we were reluctant to commit our resources to the new management at Limousine 2000, Inc. For one thing, we feared that we would lose our dues payments to the company for the month of February 1996 if the Airport Administration terminated the concession agreement. As we work very hard for our money, we did not wish to run that risk. For a second, more important thing, Mr. Bakir told us that any of us who paid dues to Limousine 2000, Inc., for February 1996 would not be permitted to drive for his and Ms. Davis' company when it obtained the Airport concession.

Solely out of fear about our economic condition and as a result of Mr. Bakir's assurances that the Airport would award the limousine concession to Ms. Davis and him, resulting in Limousine 2000, Inc.'s bankruptcy, we have taken steps to assist Mr. Bakir in his efforts to drive Limousine 2000, Inc., out of the Airport. We now believe we were misled by him and want to go on record as no longer supportive of those efforts.

When we drove for Limousine 2000, Inc., while it was under the control of its former management, we were abused constantly and subjected to corruption in the corporation's dispatch system. The former system of preferential dispatching resulted in Mr. Bakir's and Ms. Davis' cars obtaining all of the lucrative runs, even when it was not their turn in line, and, as a result, many of us did not even generate sufficient revenues to pay our monthly dues. We have had extensive and exhaustive meetings with Limousine 2000, Inc.'s new management, who have assured us that the company finally will live up to the promises of unbiased and even-handed dispatching that it made to us when it induced us to become subcontractors and that it intends to provide first-class, efficient, and safe transportation for all of the travellers at the Airport.

We now wish to inform you that we are prepared to sign a contract with Limousine 2000, Inc., that will treat us and all future subcontractors fairly and even-handedly. We believe that the new management is competent and experienced and that it sincerely intends to terminate all of the economic abuses we suffered at the hands of the former management. We also believe that it sincerely intends to offer a quality of transportation service that will exceed the Airport's expectations. We are most anxious to assist in that process and want to offer you reassurance about our commitment to this operation.

If any of our previous efforts in support of Mr. Bakir have caused you inconvenience, we apologize to you.

To Whom It May Concern
February 15, 1996
Page 3

February 12, 1996

TO: The Lebanese Consulate
Gebran Soufan

From: Members of the Drivers Association
(415) 878-1839

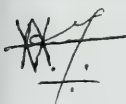
After discussing our problem today with your office, they suggested to us prepare a memo discribing on what it is happening to us here in San Francisco.

We as lebanese Lemo drivers we operate assub-contractors to Limousine 2000. We are faxing to you along with this cover sheet the chain of events on what happened to us thru this company. The current owners and the shareholders are Palestinians and Syrians, the day they took over the operation they kicked us out along with some Jewish drivers. They started to threatned us with guns and telling some of the agents that in the same way they kicked our behinds in Lebanon they are going to do it here to. We have reported these incedents to the police and the DA is investigating . The same as the Jewish drivers had reported it to their consulate who in turn called the Airport Commisioner, we felt we should reported as well to your good office so you can call Dan Ravina at (415) 876-2365 at the SF Int'L Airport to ask him to make a stop to what is going on, because really these type of people are giving the Arab world a bad reputation.

Your immediate attetnion to this matter is mostly appreciated before someone gets hurt due to hostility.

Thanks;

Antoine Chedid

A handwritten signature in dark ink, appearing to be 'Antoine Chedid', with a horizontal line drawn through the middle of the signature.

February 12, 1996

Mr. John L. Martin
San Francisco International Airport
San Francisco, California

Dear Mr. Martin:

The following letter describes in detail the discontent of the owner operators which sub-contract with Limousine 2000 and the events which led to this discontent.

2/1/96

We were asked by the new management of Limousine 2000 to come to a meeting which was being held at 152 Utah St. South San Francisco. We were led to believe that the new management of Limousine 2000 wanted to discuss future operations. However, upon our arrival to the said location we were confronted with mace and stunt guns which injured three drivers who needed to be sent to the hospital for care. Based upon this incident we felt forced to take action to protect our jobs and financial interests in the company. After this point we formed a driver's association and hired a lawyer to negotiate a reasonable contract which would grant us a good and safe working environment where our rights would be protected.

2/4/96

The new management of Limousine 2000 refused to submit to a contract and informed us that their operation was still in good standing with the airport. We were then informed that we needed to return back to work and continue to pay our dues. However, we decided as an association to refuse to come back to work without a written and signed contract that would protect our rights.

At this point in time it was realized that there were several members of the new management cited with guns. A message was sent to agents inside the airport terminal and drivers of the association that they may be in physical danger. As the day progressed violence continued to break out in the lot. There were cars with windshields being broken, slashing of tires and there were also threats being placed on some of the drivers in the association.

2/8/96

The new management of Limousine 2000 placed restraining orders on most of the drivers of the association. After this point the drivers association set another meeting to discuss the situation and what our next step to resolve operations back to working order would be. After many discussions we as a group agree that we are committed to our objective to get back to work but only under reasonable and safe conditions. Therefore we are more than willing to work with any company or management who will negotiate a reasonable contract which will protect and benefit both parties.

2/9/96

The drivers of the association asked the new management for the dues they pre-paid for the month of February as there did not seem to be agreement among both parties and drivers were restrained from working at the airport. We had contacted Mr. Charles Princeton the Vice President of the new management group of Limousine 2000. He had told us to come to his office and pick up our dues. Upon arrival at 3 pm we were told that the management team had left for the day and that there was no one to help us.

We have outlined these events in hopes that you can fully understand the situation that we are in. We feel that the new management team is unwilling to commit to getting the operations back to a legitimate working environment. We ask that you address these issues because we feel that not only are they inflicting hardship on our lives and ability to financial sustain but additionally they are affecting the perception of those that come to San Francisco and are greeted at the airport with waiting long periods of time for transportation and possible physical danger.

Thank you in advance for your efforts in addressing these issues and assisting us in our efforts to get back to work and promote an enjoyable tourism environment.

Sincerely,

Members of the Drivers Association

CC: DANIEL
~~Daniel~~ Ravina

W. F.	Tony chedid	Jakob Goldensborg	Ilke
Y. Z.	Yeh EPELISAGIN	Rachid ZAKHIA	Ilke
W. Z.	Igor Noyden	Sam eid	Ilke
Y. Z.	Leonid Slutsky	Tony Khoury	Ilke
Y. Z.	D. GELFER	Gus Hadada	Ilke
Y. Z.	Alex Marmarosh	Rafic Khoury	Ilke
Y. Z.	Alex Radinovish	Ziad Yehia	Ilke
Y. Z.	Elie Hadada	Nabil Aloni	Ilke
Y. Z.	Bois Spector	Henry Gibson	Ilke
Y. Z.	GREGORY ROSTKER	Paul Khoury	Ilke
Y. Z.	Yakov Brodsky	Marcus Juklas	Ilke
Y. Z.	Gendy Flider	Leonard Woo	Ilke

February 9, 1996

To: Dan Revina

From: The Agents Of the Limo 2000

Dear Sir;

This is to inform you about the situation and what is going in the limo 2000. As employees of this company under this new management we have been threatned, humiliated and sworn at in front of each other and in front of customers who in most cases are tourists to the city of San Francisco.

These people came in , acting as MAFIA leaders, trying to run the business thru illegal acts, such as saying and giving violent threats, and that most of the management team carry Stunt Guns. We have no security and no protection. We have tried to raise our issues to the management and the response came as a threat "you do whatever we tell you to do, Otherwise?". Therefore, we felt that the only one who can help us to get our rights back , is your good office.

We appreciate your attention to this matter, as most of us are student striving to have a good future by attending college and paying our own tution thru this job, which this management seems to ignore by putting us thru stress every single day that we are working.

We would like to take a moment to thank you again for giving this matter your individed attention.

Sincerely;

Majed Qutbani
JEFF GRASSIN
[Signature]

[Signature] Elic Chedid
JAMES C. YBALA III
Guthrie McCurry
Germaine Davis

c.c. John Martin

1 SARA G. MAURER CSB No. 147839
The Law Offices of Sara G. Maurer
2 126 Post Street, Sixth Floor
San Francisco, CA 94108
3 Telephone: (415) 981-8678

4 JON SINDELL, CSB 112078
126 Post Street, Sixth Floor
5 San Francisco, CA 94108
(415) 788-3277

6 Attorneys For Defendants and Cross-Complainants,
7 YOUSEF BAKIR and V. MARIE DAVIS

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 THE COUNTY OF SAN MATEO

11 CHARLES PRINCETON and AHMED) No. 391877
12 ALAZZEH,)

13 Plaintiffs,)

14 v.)

15 YOUSEF BAKIR, V. MARIE DAVIS,)
CARLOS MARTINEZ, ALAN MICHAEL)
16 aka ALAN MICHAEL TIENTURIER,)
GINO EL BAKRI, HASAN EL BANNA,)
17 MOHAMMED ALAMOUSH, LIMOUSINE)
2000, INC. and DOES 1 through)
18 25,)

19 Defendants.)

20 and related Cross-Actions)
21)

**TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE RE:
PRELIMINARY INJUNCTION**

Date: Feb. 9, 1996
Time: 3:00 p.m.
Dept: 11

22 Upon reviewing the application and materials submitted in
23 support of the application, the court finds that petitioners have
24 established the likelihood of sustaining continued great and
25 irreparable harm if injunctive relief is not granted in the
26
27
28

1
2 particulars described below, and that this is a proper case for
3 issuance of an order to show cause and a temporary restraining
4 order, and unless a temporary restraining order issues, petitioners
5 will suffer irreparable injury before the matter can be heard on
6 notice.

7 Accordingly, IT IS HEREBY ORDERED that respondents, Ahmed
8 Alezzah, Charles Princeton, Limousine 2000, Inc., and all persons
9 acting in concert with Ahmed Alezzah and Charles Princeton appear
10 before this court in department 11, on Feb 28th, 1996, at 9 a.m.,
11 to show cause why a preliminary injunction should not be issued
12 enjoining each of them from from performing or engaging in the
13 following acts:

14 1. Withholding personal property belonging to Yousef Bakir and
15 Marie Davis, including the following: Yousef Bakir's briefcase;
16 Marie Davis' briefcase; banking checkbooks, bank statements, and
17 deposit slips on personal and business accounts held by Davis and
18 Bakir or by Airport Meridian Limousine; records pertaining to Davis
19 and Bakir's ownership of eight limousines including registration
20 forms, copies of purchase agreements, and cancelled checks; records
21 of personal credit card payments; statements for house payments;
22 bills for medical insurance; household bills such as cable t.v.
23 bills; property bought and owned by Marie Davis including a
24 computer, a microwave oven, a wood design dinette table; and a
25 palm.

26 2. Interfering with the exercise of Davis and Bakir of their
27 rights as directors of Limousine 2000, Inc. to oversee management
28

1
2 of the company in every proper manner, including noticing and
3 convening board meetings, inspecting and copying corporate books
4 and records, and visiting all physical areas of corporate operations
5 without limitation (consistent with the pending requirement of 24
6 hours' notice pursuant to a temporary restraining order issued on
7 February 2, 1996);

8 3. Implementing any aspect of the "shareholders action
9 without meeting" signed by some shareholders on January 29, 1996,
10 including any act necessary to execute or implement the settlement
11 of the instant action of Ahmed Alazzeah and Charles Princeton
12 against Limousine 2000, Inc., and the related cross-actions;

13 4. From taking any action under color of that portion of the
14 temporary restraining order issued February 2, 1996 which pertains
15 to Marie Davis, and from taking any action under color of that
16 portion of such temporary restraining order which is overbroad,
17 including the provision that petitioners may not come within 50
18 yards of concession booths operated by Limousine 2000, Inc.;

19 5. Interfering with petitioners' complete dominion and
20 control over their personal and personal-business bank accounts,
21 including a First Interstate account in the name of Airport
22 Meridian Limousine And Tours;

23 6. Interfering with petitioners' complete dominion and control
24 over the four vehicles identified in the papers supporting the
25 application, i.e., vehicles with vehicle i.d. nos.:
26 1LNLM81W2SY694449; 1LNLM81W4SY701689; 1LNM81WOSY70169; and
27 1LNLM81W9SY733327; and
28

1
2 7. Interfering with petitioners' dominion and control over
3 airport postal box no. 250455.

4 IT IS FURTHER ORDERED that, pending the hearing on the order
5 to show cause above, Ahmed Alezzah, Charles Princeton, Limousine
6 2000, Inc., and all persons acting in concert with Ahmed Alezzah,
7 Charles Princeton, or Limousine 2000, Inc. are hereby enjoined from
8 from performing or engaging in the following acts:

9 1. Withholding personal property belonging to Yousef Bakir and
10 Marie Davis, which property is to be turned over to them
11 immediately, and includes the following: Yousef Bakir's briefcase;
12 Marie Davis' briefcase; banking checkbooks, bank statements, and
13 deposit slips on personal and business accounts held by Davis and
14 Bakir or by Airport Meridian Limousine; ^{copies of} records pertaining to Davis
15 and Bakir's ownership of eight limousines including registration
16 forms, copies of purchase agreements, and cancelled checks; records
17 of personal credit card payments; statements for house payments;
18 bills for medical insurance; household bills such as cable t.v.
19 bills; property bought and owned by Marie Davis including a
20 computer, a microwave oven, a wood design dinette table; and a
21 palm. *Property to be turned over by 4PM Feb 12, 1996.*

22 2. Interfering with the exercise of Davis and Bakir of their
23 rights as directors of Limousine 2000, Inc. to oversee management
24 of the company in every proper manner, including noticing and
25 convening board meetings, inspecting and copying corporate books
26 and records, and visiting ^{152 Utah, South San Francisco,} all physical areas of corporate operations
27 ~~without limitation--(consistent with the pending requirement of 24-~~
28

1
2 hours' notice pursuant to a temporary restraining order issued on
3 February 2, 1996);

4
5 3. Implementing any aspect of the "shareholders action
6 without meeting" signed by some shareholders on January 29, 1996,
7 including any act necessary to execute or implement the settlement
8 of the instant action of Ahmed Alazzeah and Charles Princeton
9 against Limousine 2000, Inc., and the related cross-actions;

10 4. From taking any action under color of that portion of the
11 temporary restraining order issued February 2, 1996 which pertains
12 to Marie Davis, and from taking any action under color of that
13 portion of such temporary restraining order which is overbroad,
14 including the provision that petitioners may not come within 50
15 yards of concession booths operated by Limousine 2000, Inc.;

16 5. Interfering with petitioners' complete dominion and
17 control over their personal and personal-business bank accounts,
18 including a First Interstate account in the name of Airport
19 Meridian Limousine And Tours;

20 6. Interfering with petitioners' complete dominion and control
21 over the four vehicles identified in the papers supporting the
22 application, i.e., vehicles with vehicle i.d. nos.:
23 1LNLM81W2SY694449; 1LNLM81W4SY701689; 1LNLM81WOSY70169; and
24 1LNLM81W9SY733327; and 1LNLM81WOSY70169

25 7. Interfering with petitioners' dominion and control over
26 mail addressed to Airport Meridian Limousine in
27 airport postal box no. 250455.

28 IT IS FURTHER ORDERED that a copy of this order to show cause
and temporary restraining order, application and supporting

1
2 documents, be filed and served ^{personally or by FAX} von Ahmed Alezzah and Charles
3 Princeton, individually and in behalf of Limousine 2000, Inc.,
4 Limousine 2000, Inc., and all persons acting in concert with Ahmed
5 Alezzah and Charles Princeton and Limousine 2000, Inc., not later
6 than Feb 12, 1996. ^{by 4 PM.} The opposition papers must be
7 filed and served ^{personally or by FAX} on petitioners ~~by mail~~ not later ^{4:00 PM} than
8 Feb 21, 1996. Any reply brief must be filed and served ^{personally or by FAX} by
9 ~~mail~~ no later than ^{4:00 PM.} Feb 26, 1996.

10
11 Dated: Feb. 9, 1996

12
13 Herlan K. Vae
14 Hon.

15 Judge of the Superior Court
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My name is Elie Chedid

I here today to complain about
wino 2000

1.) Have been threatened by management if we don't solicit and bring in customers we will be terminated. However the police have given us warnings that we can not do this. the Police can give us a ticket for \$150.

2.) Ever since the beginning of the strike I have personally been harassed and threatened because my father is driver. One of the business owners approached me with a taser gun and I reported it to the police twice. He wanted me to tell my father and the other drivers that they do not know who they are messing with.

3.) the incident with your mother

4.) When I submit my time-sheet to get paid my paycheck is always short approximately \$100-\$150 and each week they will fix it. There

are other agents that this also happens is.

2-20-96

Dear Sirs, Madam,

I have worked with aprox. 1/2 of this room for 15 years. I personally had to take the 'old management' to the labor board to collect wages owed to me as a dispatcher. It is true, the drivers, (shareholders), are the victims, They have always been the financial backbone, and were always cheated out of what they were due. I believe the drivers ~~are~~ need a whole new company, I don't see how this company could ever work! Please remember: the 'new management' was part of the 'old management'.

Thank you,

Deb McLaughlin
Deborah J. McLaughlin

Dear Sir,

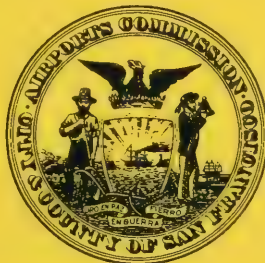
We urge this Commission
to check into the subcontractors
PUC (TCP) Authorization Today

As you will Find few cars
running in this operation - have
been running for a year or so -
with NO TCP Decals and good
knows about Insurance. Please have
the SFIA police Look into that
matter Today so the airport is
not held Liable for any Lawsuits.

Thank you

EF
A45
#2
3/5/96

SAN FRANCISCO AIRPORTS COMMISSION



DOCUMENTS DEPT.

APR 03 1996

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MINUTES

MARCH 5, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

L. ANDREW JEANPIERRE
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
March 5, 1996

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Minutes of the
Airports Commission Meeting
March 5, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present: L. Andrew Jeanpierre, President
Marie K. Brooks, Vice President
Michael S. Strunsky
Roland A. Quan
Larry Mazzola

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 5, 1996 were adopted by order of the Commission President.

No. 96-0066

* * *

- D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of resolution no. 96-0064 appointing Spencer Ballard Deputy Director of Business and Finance, and 96-0065 appointing Andrea Gourdine Director of Administration at the closed session of February 20, 1996.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Jeanpierre introduced Mr. Dan Richards, President, BART Board of Directors and asked if he wished to update the Commission on BART.

* * *

* * *

F. POLICY:

Item Nos. 1 and 2 were adopted unanimously.

1. Airport "Transit First" Policy

No. 96-0067

Resolution recommending adoption of a "Transit First" policy giving priority to public and private high occupancy transportation modes on the Airport.

2. Renaming of the Bureau of Communications to the Bureau of Community Affairs

No. 96-0068

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 through 7 were adopted unanimously.

3. Modification No. 1 to Construction Contract No.2801
Parking Structure on Lot DD

No. 96-0069

Resolution approving Modification No. 1 to Contract No.2801, Parking Structure on Lot DD to use \$1,235,321.00 from the budgeted contingency of \$2,700,000.00. These changes will improve operations, maintenance, safety and security with minimum impact to construction schedule and are within the approved contingency fund to the project.

4. Modification No. 1 of Professional Services Contract No. 5703
Airport Light Rail System (ALRS) Operating System

No. 96-0070

Resolution approving Modification No. 1 of Professional Services Contract 5703 - Airport Light Rail System (ALRS) Operating System,

to Lea+ Elliott, Inc. The Modification covers an increase in contract scope due to the ALRS Operating System extension to Lot D initiated by the relocation of rental car facilities, and additional design and coordination services associated with the BART extension to SFIA. Amount of Modification No. 1 is \$665,600.

5. United Airlines, Inc. - Increase Reimbursement for Work on Behalf of the Airport

No. 96-0071	Resolution approving additional reimbursement of \$3,538,641.00 to United Airlines, Inc. for relocating utilities under Plot 8E and widening of Road R9 under the Master Plan construction program, on behalf of the Airport, for a total not-to-exceed amount of \$8,390,844.00.
-------------	---

6. Authorization for Bid Call - Contract No.5601F - Utility Relocations, Phase IV

No. 96-0072	Resolution approving the scope, budget and schedule and authorizing bid call for Contract No. 5601F, Utility Relocations, Phase IV.
-------------	---

7. Award of Sale of Issue 10 Bonds

No. 96-0073	Resolution awarding sale of issue 10 bonds in the amount of \$200 Million.
-------------	--

* * *

H. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) regarding the settlement of litigation entitled CCSF v Pacific Services, Inc.; and, Government Code Section 54956.9(c) to confer with legal counsel regarding anticipated litigation.

The meeting was recessed at 1010 A.M. to go into closed session and reconvened at 10:30 AM.

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 8 was adopted unanimously.

8. Status Report and Possible Action of Termination of Limousine 2000, Inc.'s Concession Agreement

No. 96-0074

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

* * *

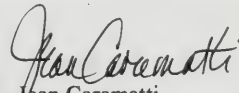
K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

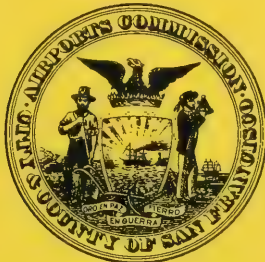
L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:35 AM.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

APRIL 2, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
April 2, 1996

CALENDAR AGENDA			RESOLUTION	
SECTION	ITEM	TITLE	NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of March 19, 1996	96-0087	3
D.		ITEMS INITIATED BY COMMISSIONERS:		
		Welcome to Commissioner Henry Berman		3
E.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Award Professional Services Contract 5706A/E - Airport Light Rail System (ALRS) Domestic Terminal Stations	96-0088	4
	2.	Mod. No. 1 of Professional Services Contract 5700A/E Airport Light - Airport Light Rail System (ALRS) Guideway & Fixed Facilities	96-0089	5-6
	3.	Rejection of Bids - Contract 5600A - R16/R18 Temporary Detour Roads	96-0090	6
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Mod. No. 15 to Legal Services Agreement - Hanson, Bridgett et al - \$150,000.00	96-0091	6-7
	5.	Mod. No. 3 to Legal Services Agreement - Richard H. Jordan - \$15,000.00	96-0092	7
	6.	Contract with the Corporation of Fine Arts Museums, San Francisco - \$200,000.00	96-0093	7
	7.	Rent Credit to Host for Work Performed on Behalf of Airport - Not-to-Exceed \$57,000.00	96-0094	7

8.	Approve Lease Extension - Bank of American NT & SA Financial Services Lease	96-0095	7-8
G.	NEW BUSINESS:		8
H.	CORRESPONDENCE:		8
I.	CLOSED SESSION:		
	Potential Litigation		8
J.	ADJOURNMENT:		8

Minutes of the
Airports Commission Meeting
April 2, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Marie K. Brooks, Vice President
Michael S. Strunsky
Roland A. Quan
Larry Mazzola
Henry Berman

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 19, 1996 were adopted by order of the Commission Vice President.

No. 96-0087

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Brooks said that a visitor from Austin, Texas told her recently that he did not realize how dirty the Dallas airport was until he visited SFO.

Commissioner Brooks welcomed Commissioner Berman to the Commission.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 3 were adopted unanimously.

1. Award of Professional Services Contract No. 5706A/E
Airport Light Rail System (ALRS) Domestic Terminal Stations

No. 96-0088

Resolution awarding Professional Services Contract 5706A/E, Airport Light Rail System (ALRS), Domestic Terminal Stations to Kwan Henmi Architecture and Planning, Inc./Gordon H. Chong and Associates/LDA Architecture and Planning (KHA/GCA/LDA) and approving the project construction budget. Amount of Professional Services Contract: \$2,046,550.00; Construction Budget Amount: \$23,000,000.00.

Mr. John Martin, Airport Director, explained that this item awards the design contract for the domestic terminals, light rail stations and the connecting bridges.

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction, said that the Commission authorized staff to negotiate a contract with the firm Kwan Henmi for the three domestic terminal stations which will connect the light rail stations with the terminals by overhead bridges. The contract includes design of all three stations, full design of two of the overhead bridges and partial design development of a third. It also includes the demolition of the existing bridges, the central terminal mezzanine floor, and all the moving walkways, elevators and escalators.

Commissioner Strunsky noted that area B is also scheduled for design development and asked if it will happen some time in the future.

Mr. Bordegaray responded that since the South Terminal is occupied it would not be advisable to build that bridge and the mezzanine connection in the terminal at this time. That work will be deferred until the terminal has been vacated.

Mr. Martin added that the Boarding Area B project has been moved to the long term.

Commissioner Strunsky asked if the airlines are going to feel short changed. He also asked if we will be forcing ourselves into a bus operation when the light rail system becomes the access to the rental car lots.

Mr. Martin responded that there is a tunnel to Boarding Area B that can still be used by passengers to get to the light rail system. He anticipated that when the international airlines move to the new terminal Boarding Area D will be converted to domestic use, Boarding Area B will probably be demolished, and a new Boarding Area B will be constructed. At the same time a bridge will be constructed to the light rail station.

2. Modification No. 1 of Professional Services Contract No. 5700A/E
Airport Light Rail System (ALRS) Guideway and Fixed Facilities

No. 96-0089

Resolution approving Modification No. 1 of Professional Services Contract 5700A/E - Airport Light Rail System (ALRS) Guideway and Fixed Facilities to Transit Guideway Consultants, a Joint Venture of Parsons Brinckerhoff Quade & Douglas, Inc./Manna Consultants, Inc./MG Engineering, Inc. (PB/MC/MGE), and approving an increase in the construction budget for work related to BART and the extension of the ALRS to Lot D. Amount of Modification No. 1 is \$8,384,300.00. Construction Budget Increase: \$33,650,000.00.

Mr. Bordegaray said that last month the Commission approved the modification to the system portion of the light rail system. This will accommodate extending the system down to the long term parking lot D, where the rental car facilities have been relocated. It also included a combination of the BART/ALRS station which leads into the terminal complex. This is a modification for the actual guideway fixed facilities --- the station platforms, the guideway structure itself, etc. The modification includes the design necessary for the BART crossing over 101.

Commissioner Strunsky asked if we are doubled up on stations and platform structures.

Mr. Bordegaray responded that we are not. This work is outside of those areas. The additions to the system where it leaves the loop and goes north to the rental car facilities also takes care of combining the BART/ALRS into a single support structure where it enters into the terminal complex area.

Mr. Martin added that the additional building for running the light rail system to the long term parking lot was included in the construction budget approved in November as a part of the airline MOU. There is no change in the construction budget.

Commissioner Brooks asked if the BART crossing over 101 was part of our commitment for costs.

Mr. Bordegaray responded that we are including that as part of our costs although it will go against the commitment the Airport has made to BART for our share of the funds.

Mr. Martin explained that our plan is to design the structure to cross the freeway but not build it unless we know that BART is definitely coming.

Commissioner Strunsky asked if the money that we are spending in this contract is part of the \$6-million approved by the airlines.

Mr. Martin responded that this goes a little beyond the \$6-million so the contractor will be held back from doing some of the design work above the \$6-million level until the time that we have a funding guarantee from BART.

Commissioner Strunsky asked if we will design the entire structure or fund the piles that will support it.

Mr. Bordegaray responded that we will design for the entire structure.

3. Rejection of Bids - Contract No. 5600A - R16/R18, Temporary Detour Roads

No. 96-0090

Rejection of all bids received for Contract No. 5600A, R16/R18 Temporary Detour Roads, and authorization for rebid of this contract when ready.

All bids received were over the Engineer's estimate and the lowest bid received was deemed non-responsive. Consultant's estimate for the rebid is \$1,135,000.00.

Mr. Bordegaray explained that six bids were received on February 9. All of the bids were over the project estimate. Since the bids were tightly grouped, staff decided to investigate them and found that the estimate was off. The project will be redesigned to bring the cost of the project down.

The Commission received an off-calendar memo describing the action being taken because of the flawed bid. Action has already been taken on many of those items.

Commissioner Strunsky said that the savings is estimated to be at \$132,790.00, less any costs of rebidding the work. He asked if that was enough of a savings to warrant this process.

Mr. Bordegaray responded that some of the services we need to perform in order to rebid are services the design firm is willing to do at no cost because of the errors.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 4 through 8 were adopted unanimously.

Consent Items Relating to Administration, Operations & Maintenance:

4. Modification No. 15 to Legal Services Agreement with Hanson, Bridgett, et al to Increase Compensation by the Amount of \$150,000.00

No. 96-0091

Resolution approving Contract Modification No. 15 to Professional Services Agreement with law firm of Hanson, Bridgett, et al to increase compensation by \$150,000.; all other terms and conditions of Agreement to remain in full force and effect.

5. Modification No. 3 to Legal Services Agreement with Richard H. Jordan to Increase Compensation by the Amount of \$25,000.00 through Fiscal Year 1995/1996

No. 96-0092

Resolution approving Modification No. 3 to Professional Services Agreement with law firm of Richard H. Jordan to increase compensation by \$25,000. thru end of FY95/96; all other terms and conditions of contract to remain in full force and effect.

6. Contract with the Corporation of Fine Arts Museums, San Francisco - \$200,000.00

No. 96-0093

Resolution approving contract for \$200,000. with the Corporation of Fine Arts Museums, San Francisco (COFAM) for the purpose of providing and implementing temporary exhibitions at SFIA for the period April 1, 1996 thru June 30, 1997.

Commissioner Strunsky said that the cooperation between the Airport and the Fine Arts Museums is terrific and he hopes it will continue for a long time to come. He hopes that the exhibits will continue to be a high level of quality and fun.

Mr. Martin said that the partnership between the Airport and the Fine Arts Museums has existed since the beginning of the program and it continues to work very well.

7. Rental Credit to Host International, Inc., for Work Performed on Behalf of the Airport at a Not-to-Exceed Amount of \$57,000.00

No. 96-0094

Resolution authorizing a rental credit to Host International, Inc., for providing utilities on behalf of the Airport.

8. Approval of Lease Extension - Bank of America NT & SA Financial Services Lease

Resolution authorizing extension of the Bank of America Financial Services Lease through the construction of the new International Terminal, subject to modified terms and conditions.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

* * *

H. CORRESPONDENCE:

* * *

I. CLOSED SESSION:


The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

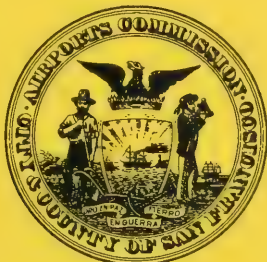
J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

APRIL 18, 1996

SPECIAL MEETING

10:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
April 18, 1996

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SECTION	ITEM	TITLE	NUMBER	PAGE
A court reporter's transcript of this meeting is available.				
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of April 2, 1996	96-0096	3
D.		SPECIAL ITEM:		
	1.	Election of Commission President	96-0098	3
	2.	Commendation for Former Airports Commissioner L. Andrew Jeanpierre	96-0097	3
E.		POLICY:		
	3.	Airport MBE Subcontractor "Best Efforts" Policy for Master Plan Projects	96-0099	4
F.		ITEMS INITIATED BY COMMISSIONERS:		
		LAX Color-coded Signage		4
G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	4.	Award of Contract No. 5500C - International Terminal Structural Steel	96-0100	4
	5.	Modificatin No. 4 of Professional Services Agreement - Contract No. 5500 - Skidmore, Owings, & Merrill- Del Campo Maru - Michael Willis Associates, Joint Venture Architects	96-0101	5
	6.	Award Contract No. 5601F - Utility Relocations, Phase IV	96-0102	5

7.	Bid Call - Contract No. 5601G - Utility Relocations, Phase V	96-0103	5
H.	ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
8.	Host International, Inc. - Sublease of the Hangar Restaurant and the South Terminal Employee Cafeteria	96-0104	5
I.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
9.	Bid Call - Contract No. 5912A - Install Automatic Vehicle Identification System	96-0105	6
10.	Bid Call - Contract No. 3646 - Temporary Emergency Response Facility No. 3	96-0106	6
11.	Approve Option and Modification of Rental Rate for Lease Nos. PUC 67-0980, Plot 12A - Delta Air Lines	96-0107	6
	Approve Option and Modification of Rental Rate for Lease No. PUC 67-0214, Plots 12 and 12B - Delta Air Lines, Inc.	96-0108	6
12.	Resolution Ratifying Personnel Actions	96-0109	6
J.	PUBLIC HEARING:		
13.	Hearing on Project Stabilization Agreement		7
K.	NEW BUSINESS:		
L.	CORRESPONDENCE:		
M.	CLOSED SESSION:		
	Potential Litigation		7
N.	ADJOURNMENT:		
			7

Airports Commission Meeting
April 18, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 10:10 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Marie K. Brooks, Vice President
	Michael S. Strunsky
	Roland A. Quan
	Larry Mazzola
	Henry E. Berman

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 2, 1996 were adopted by order of the Commission President.

No. 96-0096

* * *

D. SPECIAL ITEM:

Item Nos. 1 and 2 were adopted unanimously.

1. Election of Commission President

No. 96-0098

Commissioner Strunsky moved the nomination of Commissioner Berman as President; Commissioner Brooks seconded the nomination.

2. Commendation for Former Airports Commissioner L. Andrew Jeanpierre

No. 96-0097

Resolution commending L. Andrew Jeanpierre and expressing the Commission's gratitude for his dedicated service as a member and president of the San Francisco Airports Commission.

* * *

E. POLICY:

Item No. 3 was adopted unanimously.

3. Airport MBE Subcontractor "Best Efforts" Policy for Master Plan Projects

No. 96-0099

Airport policy to encourage bidders to demonstrate "best efforts" to solicit subcontractor participation of each major ethnic group as identified in the San Francisco MBE/WBE/LBE Utilitization Ordinance on Master Plan construction projects over \$10-million.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Brooks commented on LAX's color-coded signage for arrivals and departures.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 4 through 7 were adopted unanimously.

4. Award of Contract No. 5500C - International Terminal Structural Steel

No. 96-0100

Award Contract 5500C, International Terminal Structural Steel, in the amount of \$73,778,000 to The Herrick Corporation. Work includes the furnishing and erection of all structural steel for the new International Terminal.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

5. Modification No. 4 of Professional Services Agreement - Contract No. 5500 Skidmore, Owings & Merrill - Del Campo Maru - Michael Willis Associates, Joint Venture Architects

No. 96-0101

Resolution approving Modification No. 4 in the amount of \$989,000. to SOM/DCM/MWA design contract for professional services to prepare design revisions for the International Terminal to add a building extension to the west wall of the International Terminal in order to provide a link to, and not preclude, a potential future Concourse H/Airport BART station.

6. Award of Contract No. 5601F - Utility Relocations, Phase IV

No. 96-0102

Resolution approving and authorizing the award of Contract 5601F, Utility Relocations, Phase IV, to the lowest responsive bidder, Edward W. Scott Electric, Inc., in the amount of \$1,848,702.00.

7. Bid Call - Contract No. 5601G - Utility Relocations, Phase V

No. 96-0103

Resolution approving the scope, budget and schedule and authorizing the bid call for Contract 5601G, Utility Relocations, Phase V.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 8 was adopted unanimously.

8. Host International, Inc. - Sublease of the Hangar Restaurant and the South Terminal Employee Cafeteria

No. 96-0104

Resolution approving Host International, Inc.'s sublease of the Hangar Restaurant and the South Terminal Employee Cafeteria to Western Sports Enterprises, Inc.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Consent Items Relating to the Master Plan:

Item Nos 9 through 12 were adopted unanimously.

9. Bid Call - Contract 5912A - Install Automatic Vehicle Identification System

No. 96-0105	Resolution approving the scope, budget and schedule for Contract 5912A, Install Automatic Vehicle Identification System, and authorizing the Director of Airports to call for bids when ready.
-------------	--

Consent Items Relating to Administration, Operations & Maintenance:

10. Bid Call - Contract No. 3646 - Temporary Emergency Response Facility No. 3

No. 96-0106	Resolution approving the scope, budget and schedule for Contract No. 3646, Temporary Emergency Response Facility No. 3, and authorizing the Director of Airports to call for bids when ready.
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11. Approval of Options and Modification of Rental Rate for Lease Nos. PUC 67-0980, Plot 12A and PUC 67-0214, Plots 12 and 12B - Delta Air Lines, Inc.

No. 96-0107
No. 96-0108

12. Resolution Ratifying Personnel Actions

No. 96-0109	Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.
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* * *

The meeting recessed at 10:50 AM and reconvened at 11:05 AM in Room 404, War Memorial Building.

The meeting recessed at 10:50 AM and reconvened at 11:05 AM in Room 404, War Memorial Building.

J. PUBLIC HEARING:

This item will be discussed at 10:30 AM

13. Hearing on Project Stabilization Agreement

* * *

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

* * *

L. CORRESPONDENCE:

* * *

M. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

* * *

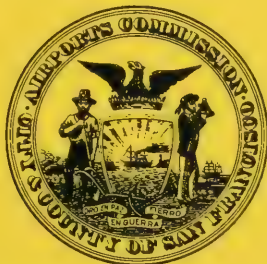
N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 12:35 PM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

APRIL 30, 1996

SPECIAL MEETING

8:30 A.M.

✈ ROOM 404 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN

Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Special Meeting of the Airports Commission
April 30, 1996

CALENDAR AGENDA			RESOLUTION	
SECTION	ITEM	TITLE	NUMBER	PAGE
		A court reporter's transcript is available.		
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of April 18, 1996	96-0110	3
D.		DIRECTOR'S REPORTS:		
	1.	Report on Joint Powers Board Recommendation Re Airport Rail Transit (ART) Connection to CalTrain		3
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Status on Bay Area Shuttle		4
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Award Contract 5520J - Preconditioned Air/ 400 Hz. Power	96-0111	4
	3.	Award Contract 5750A - North Field Cargo Facilities Utility Trench	96-0112	4
	4.	Modification No. 2 - Contract 5601C - Utility Tunnel and Utility Relocations, Phase I	96-0113	4-5
	5.	Modification of Master Plan Airline Liaison Office Agreement - Airport and Aviation Professionals, Inc.	96-0114	5

G.	ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
6.	Award Contract 3062C - Taxiways "S", "U" and 10L Overlay & Reconstruction	96-0115	5
H.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
7.	Reimbursement to Air Canada for Costs Incurred in Relocating from boarding Area "A" to Boarding Area "B" in Order to Accommodate The Master Plan Program	96-0116	5
8.	Modification No. 4 to Professional Legal Services Contract with Lempres & Wulfsberg to Increase Funding	96-0117	6
9.	Approve First of One-Year Options for Garage Taxi Staging Area Mobile Catering Leases "A" and "B"	96-0118	6
I.	SPECIAL ITEM:		
10.	Project Stabilization Agreement	96-0119	6
J.	NEW BUSINESS:		6
	Limousine 2000		
K.	CORRESPONDENCE:		6
L.	CLOSED SESSION:		
	Potential Litigation		3
M.	ADJOURNMENT:		7

Airports Commission Special Meeting
April 30, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 8:30 AM in Room 404, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Henry E. Berman, President
Marie K. Brooks, Vice President
Michael S. Strunsky
Roland A. Quan
Larry Mazzola

* * *

L. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission recessed its meeting at 8:35AM to go into closed session and reconvened the meeting at 9:10 AM.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of April 18, 1996 were adopted by order of the Commission President.

No. 96-0110

* * *

D. DIRECTOR'S REPORTS:

1. Report on Joint Powers Board Recommendation Concerning Airport Rail Transit (ART) Connection to CalTrain - Oral Report

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Brooks asked about the status of Bay Area Shuttle.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 5 were adopted unanimously.

2. Award of Contract No. 5520J - Preconditioned Air/400 Hz. Power

No. 96-0111

Award Contract 5520J, Preconditioned Air/400 Hz. Power, in the amount of \$6,853,352. to SLGC/INET, a Joint Venture. Work to include Preconditioned Air and 400 Hz Power system for Boarding Areas A & G

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

3. Award of Contract No. 5750A - North Field Cargo Facilities Utility Trench

No. 96-0112

Resolution awarding Contract 5750A, North Field Cargo Facilities Utility Trench to the lowest responsive bidder, JMB Construction/Granite Rock Co., A Joint Venture in the amount of \$5,550,250.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for the purposes of the California Environmental Quality Act (CEQA).

4. Modification No. 2 Contract 5601C - Utility Tunnel and Utility Relocations, Phase I

No. 96-0113

Resolution approving Modification No. 2 to Contract 5601C, Utility Tunnel and Utility Relocations, Phase I to Nationwide Construction Co., Inc./Shimmick

Construction Co., Inc., A Joint Venture to increase contract amount by \$3,500,000.00.

The additional funds are required to accommodate the discovery of hidden obstructions, additional hazardous materials handling, changes to stormwater pollution prevention plan, and other onsite unforeseeable conditions.

5. Modification of the Master Plan Airline Liaison Office Agreement
Airport and Aviation Professionals, Inc.

No. 96-0114

Resolution modifying the Master Plan Airline Liaison Office Agreement to extend Agreement to June 30, 1997 with a maximum increased funding of \$993,800

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was adopted unanimously.

6. Award Contract 3062C - Taxiways "S", "U" and 10L Overlay & Reconstruction

No. 96-0115

Resolution awarding Contract 3062C, Taxiways "S", "U", and 10L Overlay and Reconstruction, to the lowest responsive, responsible bidder, Pavex Construction Co., in the amount of \$2,679,805.00.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Consent Items Relating to the Master Plan. Item Nos. 7 through 9 were adopted unanimously.

7. Reimburse Air Canada for Costs Incurred in Relocating from Boarding Area "A" to Boarding Area "B" in Order to Accommodate the Master Plan Program

No. 96-0116

Resolution authorizing rent credits to Air Canada in the amount of \$30,201. for its actual moving costs in relocating from Boarding Area "A" to "B"; and in an amount not to exceed \$3,041.67 per month for its actual cost of towing fees paid to Delta Airlines as a part of the consideration for the use of Gate 21.

8. Modification No. 4 to Professional Legal Services Contract with Lempres & Wulfsberg to Increase Funding

No. 96-0117

Resolution approving Modification No. 4 to Professional Legal Services Contract with Lempres & Wulfsberg to increase compensation by \$300,000.00.

Consent Items Relating to Administration, Operations & Maintenance:

9. Approval of the First One-Year Options for Garage Taxi Staging Area Mobile Catering Leases "A" and "B"

No. 96-0118

Resolution approving first one-year options for Garage Taxi Staging Area Mobile Catering Leases "A" and "B" to Caterer's Club.

* * *

The Commission recessed its meeting at 9:50 AM and reconvened at 10:00 AM.

I. SPECIAL ITEM:

Item No. 10 will be discussed at 9:30 AM. Item No. 10 was adopted by a 3 to 2 vote, with Commissioners Brooks and Quan casting the dissenting votes.

10. Project Stabilization Agreement

No. 96-0119

Consideration and possible action on the Project Stabilization Agreement.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Limousine 2000.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

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* * *

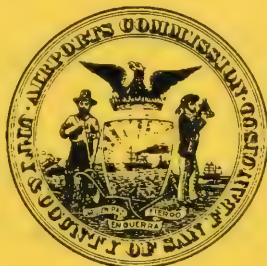
M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:45 AM.


Jean Caramatti
Commission Secretary

SF
A45
#2
5/21/96

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

MAY 21, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

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Airports Commission
May 21, 1996

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Airports Commission Meeting Minutes
May 21, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:04 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Henry E. Berman, President
	Marie K. Brooks, Vice President
	Roland A. Quan
	Larry Mazzola

Absent:	Michael S. Strunsky
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* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of April 30, 1996 were adopted by order of the Commission President.

No. 96-0120

* * *

D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. William R. O'Brien Award for Employee Excellence Recipient for 1995 - Rowena Yu

No. 96-0121

Mr. John Martin, Director of Airports, explained that the William R. O'Brien Award is named for a long term Airport employee who was both a structural and civil engineer and was involved in many of the major construction projects at the Airport in the 1960s, 1970s and early 1980s.

This year's award goes to Rowena Yu of the Airport Accounting Department. Rowena has worked at the Airport for 15 years and exemplifies the level of dedication that sets an example for other employees. She always takes that extra step to ensure that the work is completed and always maintains a high level of service attitude in assisting other employees in obtaining information from Accounting.

Ms. Yu is also recognized City-wide for her outstanding performance in developing a new City-wide financial system and has been one of the prime troubleshooters in helping that system to come into place.

Mr. Martin thanked Ms. Yu for her dedication and great service to the Airport.

Ms. Yu thanked the Commission and the Director for the award and Lilia Avendano, her supervisor, for nominating her. She said that the award was a great honor, not just for her but for the entire Accounting staff as well. She said that no matter how small an employee might be to the organization, their efforts can still be recognized.

Commissioner Berman commended Ms. Yu on winning this award.

* * *

E. DIRECTOR'S REPORTS:

2. Status Report on Master Plan Projects

Report on status of Master Plan Project Expenditures as of March 15, 1996, and in accordance with the updated Master Plan Schedule dated March 15, 1996.

Mr. Martin said that he has created an advisory Board to work in finalizing the Master Plan schedule and budget. Mr. Jason Yuen is the Chairman of the committee. The members include Gene Bordegaray, Jackson Wong, Spencer Ballard, Duke Briscoe, Greg Casto of the Airline Liaison Office, Tom Marlow from O'Brien-Kreitzberg and Ron Lamadu, SFO Associates, the coordination manager for the International Facilities Complex Project.

The Master Plan baseline schedule should be finalized in late June and will be before the Commission in July to finalize the schedule and budget. He anticipates that the schedule will show a completion date for the International Terminal in late 1999, early 2000.

Commissioner Berman hoped that Mr. Martin will monitor those dates to avoid delays.

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction explained that the status report will show the Executive Summary which includes a program overview, a statement of the progress of the program and some areas of concern. The Executive Bar Chart capsulizes and summarizes the progress of the projects. Also included are graphics on the projects that are currently in design, projects that are under construction and hazmat clean-up and demolition contracts. A financial spread sheet and photos of construction in progress are also included. These documents are current to mid-March.

Mr. Bordegaray said that as of mid-March we have 26 design contracts and 17 construction contracts, for a total of \$388-million.

The design contracts for the International Terminal, Boarding Areas A and G are currently

on schedule. Some delays are being experienced in the pile driving for the International Terminal building due to the unanticipated size and depth of a sand lens layer below the surface. Pile driving crews are working 13 hours a day, five to six days a week to make up that time. We should be on schedule some time in June or July. Soil contamination was also discovered in the site for the International Terminal site beyond what was anticipated. On-call remediation contracts are in place to handle that area.

Another delay occurred due to utility relocations. There was an extensive program to find utilities through office records and by going into the field, however, about three times the underground utilities were found than were anticipated.

There is an additional problem in that new regulations were put in place during the course of hazmat remediation.

A task force is being established to address utilities and hazmat clean-up and to set priorities to keep the International Terminal pile driving contract moving.

Commissioner Berman asked if all the underground utilities have been discovered.

Mr. Bordegaray responded that he believed that the majority of them have been found, however, because we are still in the process of relocating utilities, others may be found. A utility relocation contract will soon come before the Commission for approval that will take care of these utilities as they are found.

The elevated circulation roadways which serve the International Terminal and the two parking garages have experienced a three month delay due to design changes. The two International Terminal garages have changed in scope over the last six to eight months. The garage originally contained the Ground Transportation Center and Rental Cars. A redesign ensued when those elements were relocated. We are trying to recover that time by fast track contract packaging. This means that a procurement package for pile foundations will be issued early so that we can start the foundations as soon as the design is complete. We will save time by not having to wait for the piles to be fabricated.

The in-bound/out-bound ramps which connect the existing roads and the elevated roads onto US101 involve new entry ramp flyovers that serve the Airport. The entire project is on a critical path. It has a short construction duration ... 28 months as opposed to the normal 29 to 33 month duration. That schedule was compressed in order to get an operational terminal in early 1999.

There are currently three main issues with that contract. One is putting together the cooperative agreement with CalTrans because all of these plans must go through CalTrans for review and approval. We must complete a right-of-way exchange in order to exchange property that CalTrans needs for portions of the new roadway, and portions that we will take from CalTrans that we need for contracts such as our Light Rail system. The value of the properties must be determined in order to exchange the properties.

The last issue with CalTrans is the need to obtain encroachment permits every time we go

onto their property. We are in the process of obtaining those permits now. We have had two partnering sessions with CalTrans that have helped to make contacts with the CalTrans staff. As a result, CalTrans has been able to perform a lot better for us than they have with other projects similar in size.

Mr. Bordegaray said that the management changes previously referred to by the Director are in the Bureau of Design and Construction. In the past several project managers have reported directly to him. In order to better administer this program we need more project managers ... there are currently 15 project managers. That group has been divided into five project divisions. Each project division has a team captain and each team captain has an assistant. Two of those teams deal directly with the International Terminal Facilities Complex. Those two teams will be led by the International Terminal Facilities Complex Manager headed by Bruce Swanson of SFO Associates. Their concentration will be in that core group of about six major projects that need to be coordinated and need special attention.

The Master Plan Advisory Board consists of eight senior level people who will be advising the Airport and the Commission on baseline budget and schedule in July. That Board will be available on an as-needed basis to provide whatever advice is needed during the course of the program.

Mr. Bordegaray explained that the Commission has awarded approximately \$198-million in consultant contract services. Of that, 38% has gone to the MBE community, or about \$73-million worth of work; 8% has gone to WBEs, or about \$16-million worth of work. For construction contracts we have had 23% participation for MBEs, or \$37-million worth of work; 9% for WBE, or \$14-million worth of work.

There has been some success in recent bids. Our structural steel bid came in at about \$5-million under our projected estimate. The structural steel contract had to be re-bid due to the rise in the cost of steel. The contract was redesigned, resulting in a bid under the estimate. The structural steel contract also exceeded HRC levels ... the goal was 5% and the total program turned out to be 7.18% on an almost \$74-million contract. Also, \$6-million of that subcontract work was assigned to San Francisco-based construction firms.

We have also been progressing on integrating the BART design into our own design contracts to provide a seamless connection for Concourse H in the International Terminal.

Mr. Bordegaray said that staff successfully completed value engineering on eight projects and saved \$219-million. That effort involved bringing together a group of experts to look at projects they have never seen before and come up with fresh ideas on how we might be able to save money.

Commissioner Brooks noted that the BCDC permit impacts the northern and eastern field development and is needed by June 1st.

Mr. Martin explained that an agreement has been reached but is not yet in writing. Their primary issue to make sure that there is a bike path from the south end of the Airport to the

north end. Placing the bike path on Airport property did not work. We are looking at the West of Bayshore property and working out an agreement with San Mateo County. The County will be responsible for building and funding the bike path. This ties in with some outstanding litigation we have with San Mateo County. We expect to have the agreement with San Mateo County in place by the end of this week. Once the agreement is in place, we can get formal approval from BDCD. Mr. Martin said that he was not sure that the formal approval would come on June 1st but it will happen in the month of June.

Commissioner Brooks noted that the FAA accepted the construction height requirements for the rental car facility and asked what the height will be.

Mr. Bordegaray responded that the site anticipated for the rental cars will be in an area where the FAA approach surfaces go up at an angle. When we are closer to the runways the height limit changes. As we get away from the runways the height limit gets higher and higher. He believed we are at about a three-story structure which is below that plain.

Commissioner Quan asked if the delays Mr. Bordegaray mentioned would increase the cost of those existing contracts.

Mr. Bordegaray responded that it will increase the pile driving costs for the International Terminal. We are currently carrying a trend for that increasing cost and it will be addressed at a future meeting. However, we are going to be able to maintain the budget.

Commissioner Quan asked if we have enough cushion in terms of time and dollars for the balance of the project. We have gone through approximately 20% of the Master Plan Project. He assumed that someone would be looking into future unanticipated problems.

Mr. Bordegaray responded that we are in the process of looking into a baseline schedule and baseline budget. The baseline schedule looks at the contracts as they currently exist to give us a realistic date as to when we think those contracts can be completed. We will probably find that in order to maintain a May 1999 date, many projects are on a critical path. What we may see in July is an extension of the International Terminal operational date in order to accommodate unforeseen conditions and reduce the number of contracts on the critical path from five down to one.

Mr. Martin added that the May 1999 schedule that was used last fall did not allow for time contingencies. If we stuck to that schedule we would incur significant premium costs in fast track work to make up the time.

Commissioner Quan asked if the Budget Rent-A-Car temporary facility is currently located in the parking lot.

Mr. Bordegaray responded that both Budget and Dollar are in a lot at the north side of the entry road to the Airport. They were located there several years ago to get them out of the way of construction. The ramps that now serve the new elevated roadways coming into the Airport, coupled with our Light Rail System and BART, will become inundated with construction. A site has been identified and the facilities will be moved.

Commissioner Quan noted that there is a Budget facility at the parking structure.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that for a period of 90 to 120 days Budget will be located on the fifth floor of the parking garage because the site described by Mr. Bordegaray is being consumed by a 60 foot wide swath. It is expected that they will be back in that location some time in July.

Commissioner Quan noted that later in the calendar there is an item relating to parking rate increases.

Commissioner Berman said that the Commission is concerned about the exactness of the final baseline schedule and budget and hoped that everything is being factored in.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 through 10 were adopted unanimously.

3. Approval of Designs by Artists Lewis deSoto, Su-Chen Hung, and Ann Preston

No. 96-0122

Resolution approving designs by artists Lewis deSoto and Su-Chen Hung for artwork in the new International Terminal, and design by Ann Preston in Boarding Area A.

Mr. Martin said that this item requests approval for three pieces of artwork for the new International Terminal and Boarding Area A. Susan Pointiou of the Art Commission will make a presentation on the art work and Jason Yuen, an Airport representative to the Airport/Art Joint Committee, is present as well.

Ms. Pontious said that in May 1995 the Airports Commission granted conceptual approval for these pieces. This item grants final approval. Ms. Ann Preston and Ms. Su-Chen Hung are present.

Mr. Pontious said that Su-Chen Hung's design is cast glass panels with the word "welcome" in various languages. These panels will be placed on either side of each column located in front of the check in stations in Customs.

Mr. Louis DeSoto's design has been moved from the departures lobby to the arrivals level. The design is an outline of the continents, the pressure systems for June and July and plaques of various international airports.

Ann Preston's design will be placed in Boarding Area A. Her original design consisted of several domes in the sterile corridor. The architects have since changed the design of the concourse so the location of the 18 foot dome has been moved to an area outside the sterile corridor. The design of the dome creates a crystalline design in keeping with the myth that the sky is a crystal. To break up the monotony of the long sterile corridor, the architects created a series of niches which became excellent opportunities for art. The design for the niches is cloud-like forms created by using two tiles in a repeated pattern.

Mr. DeSoto's design begins with the architect's standard terrazzo color used throughout the building. The dividing strips toward the grid and the total area is white zinc. The outline of the continents will be in brass. The plaques will be in white bronze, a durable material with no care required. They will be etched with the maps used by pilots at various airports. The city name rather than the airport name will be used.

Ms. Su-Chen Hung's design of cast glass panels will be two 3 ft. by 5 ft. panels used together to create an ice cube effect. The letters will be sand blasted onto a lucite loover. The letters will blink out as people pass by, creating an optical effect.

Mr. Martin explained that the members of the Airport/Art Joint Committee include Jason Yuen, Bill Coblenz who has served on the Joint Committee for 10 years, and Stan Mattison, also a former Airports Commissioner.

Commissioner Berman thought this will be an interesting project.

4. Award of Contract No. 5520E - Boarding Area G General Construction - Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture

No. 96-0123

Resolution awarding Contract 5520E Boarding Area G General Construction to Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture, in the amount of \$64,773,100. Work will include the general construction of Boarding Area G, with the following exceptions:

- Energy Management Control System
- Security Special Systems Rough-in
- Furniture
- Moving Conveyances
- Preconditioned Air/400 Hz. Power
- Loading Bridges

The exceptions listed above are to be bid separately from Contract 5520E, Boarding Area G General Construction.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was

approved by the Airports Commission on Nov. 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Bordegaray explained that this is a major contract in a seven contract project for Boarding Area G. Tutor-Saliba submitted the lowest responsive bid in joint venture with Perini Corporation and Buckley and Company for \$64,673,100.00; 8% below the consultant's estimate of \$7.1-million.

The bids were very close, with only an 8% spread between the high and low bids.

Three bid protests were received, all of which were reviewed by legal and the Human Rights Commission. All three protests were found to be without merit.

The successful bidder failed to meet the M/WBE goals. The goals were set at 20% for MBE and 3% for WBE. They achieved 11.7% for MBE and .9% for WBE, but were able to prove good faith effort according to HRC.

Commissioner Brooks asked if there was no longer a preference for City businesses.

Ms. Pansy Waller, Human Rights Commission Contract Compliance Officer, explained that the contract was over the \$10-million threshold so the preference does not apply.

Commissioner Berman hoped that all individuals who wish to address the Commission on this issue have seen the letters from the Human Rights Commission dated April 26, 1996 and May 14, 1996 by Pansy Waller.

Mr. Mel Lee said that he was not protesting award of this contract to Tutor-Saliba. He commended Pansy Waller of the Human Rights Commission for her hard work. His concern is the section of the California Fair Practice Law that discusses the letting of contracts and subcontracting. He said that no law was broken under this contract.

The major sub in this contract is for mechanical work which is 15% of the work, or \$9.3-million. The Norman-Scott joint venture will do the work on the plumbing, heating, ventilation, air conditioning and fire sprinklers.

Mr. Lee said that he is concerned with Section 4100 to 4114 of the California Public Contract Code which speaks to the minor general contractor, which happens to be a mechanical contractor.

Commissioner Berman told Mr. Lee that his comments have been noted by the legal department and Mr. Bordegaray, who is charged with monitoring these contracts.

Mr. Charlie Walker, Bayview Hunters Point, said that the African American community has been making significant progress. He hoped they will continue to make progress with the

new Director as well as receive more cooperation from the Human Rights Commission.

Mr. Walker commended Mr. Martin on the job he has been doing. Even though the African American community is not totally pleased, they feel that are finally moving in the right direction for the first time in San Francisco's history.

Mr. Al Norman, Scott/Norman joint venture, said that he has come a long way to be able to participate in a contract of this size. He is currently working at the Airport with another company.

Mr. Norman said that his company doesn't operate any differently than any other contractor. The allegations have already been answered. He hoped the contract will be awarded to Tutor-Saliba. He did all that he could to bring MBEs from San Francisco to participate in this contract and he is continuing to seek other bids.

Ms. Mary Ratcliff, General Counsel, African American Contractors of San Francisco, thanked Mr. Martin for notifying them that this item was on today's calendar. There is strong consensus among the members of the Coalition for Economic Equity for the points listed in the letter received by the Commission.

Ms. Ratcliff emphasized that there is no animosity towards Tutor-Saliba. Her family company is doing sub work for them at this time at the Airport. The goal is to maximize participation of people of color and women at the Airport. The way to reach that level of participation is through a careful reading of Chapter 12D.

Ms. Ratcliff referred to the letter she distributed this morning (see attached) and called the Commission's attention to the first point, "Good Faith Efforts." A careful reading of Chapter 12D will show that participation of subs that truly qualify to be counted toward the minority goal totals only 5.6%. Even if it is 11.7%, it is not much more than half of the goal. Goals are set by looking at availability. When the HRC Contract Compliance Officer looks at availability, she looks at what firms are available in the various categories of work that are described in that particular contract, hoping that the firms in those categories will bid. In this case they did.

The rule of thumb has been that if MBEs and WBEs are listed by other bidders, it shows that they are not only available but that their price must have been reasonable. If a contractor is making good faith as a prime, those subs that are available will be listed if their prices are reasonable. It is not good faith effort if the contractor does not, particularly if the goal has been missed by a fairly wide margin.

The second point, "MBE/non-MBE Subs", HRC needs to look at a different portion of the law. HRC analyzed whether these subs were qualified and counted. The analysis HRC used is the analysis for a prime bidder, i.e., a joint venture between an MBE and a non-MBE.

Point No. 3, "Lower-tier Subcontractors" is defined as a contractor in contract with a prime contractor. A lower-tier contractor is a contractor in contract with a subcontractor. Lower tier subcontractors are not counted.

Ms. Ratcliff called the Commission's attention to the attachment to the letter listed as "MBE/WBE Subcontract Award Information", specifically the "Actual Amount Credited" column for MBEs and noted that if you compare this with the bid you will see that the first five are lower tier subcontractors so they don't count. That removes another \$2-million, bringing participation of only \$3.5-million which amounts to 5.6%.

Ms. Ratcliff said that they have faith in the Commission and in the staff but they need a tighter coordination between the Airport's efforts and the understanding that the prime bidders know how serious it is to involve San Franciscans who are people of color or women. The goal is 30%. They want to help the Airport reach that goal. She wants the terminal contract to come in with much higher participation than this. She hoped that at least by postponing it, not rejecting all bids, the Airport will be telling the prime bidders that the Airport is serious when it comes to the terminal contract.

Commissioner Berman noted Ms. Ratcliff's remarks and said that the spirit of what we are trying to do will be carried out not just to the numbers but the good intent that is involved. The Commission wants this entire project to be a model for the rest of the country about diversity and involving minority communities in San Francisco. This project will be monitored to the degree that we know will exceed the minimum figures with the available subcontractors. It is not going to be passed on today and put away and forgotten.

Mr. Willie Ratcliff said that a recent survey indicated that decisions being made by local governments are impacting people of color. The decisions being made here today are not very different from what is happening in San Francisco neighborhoods. We need to make sure that it is not just business as usual.

Mr. Harry Jamerson asked what is meant by "good faith effort." He asked if a good faith effort included sending a letter to a subcontractor to bid on a job knowing that he won't bid on it. He is a cement mason, one of the basic trades. He knows before he even bids on a job that an AGC contractor already has all the concrete and won't give anything up. He would like the Commission to look into it.

Commissioner Quan asked Ms. Rosales to respond to the points Mr. Lee brought up about bidding.

Ms. Rosales responded that the subcontractor listing law, to which Mr. Lee referred, is applicable to prime contractors, not subcontractors. The law says that after a bid opening a prime contractor cannot engage in bid peddling. Mr. Lee pointed out that he did not perceive any violation of law in a subcontractor seeking bids from MBEs and other lower tier subcontractors after a bid opening. Mr. Lee raised the question that perhaps there should be something that the Commission should look at in that respect. She looked at this earlier and spoke with Mr. Lee before this meeting.

Commissioner Quan assumed that Ms. Waller looked at the good faith efforts as required by the HRC and also looked at what qualifies as an M/WBE joint venture and is confident that this contract complies in all cases.

Ms. Waller responded that she did.

Ms. Rosales added that she met with Ms. Waller and personally reviewed each of the steps, the basis of the conclusions and the provisions of the MBE ordinance, Chapter 12D and is satisfied that the HRC properly exercised their discretion in this case.

Commissioner Quan noted that the Airports Commission is not the proper authority to work out any interpretation of a joint venture or good faith efforts. It is the Commission's intent to work with and include the M/WBE community.

Mr. Charlie Walker said that a good faith effort is what happened before this contract was bid. He insisted that Ron Tutor pay the contractors every two weeks, waive bonds, and assist the subs with technical ability. This is part of good faith effort. Contractors would never do these things before. Many things the HRC does clutters up the field so that it works to their disadvantage. Every contractor was invited to two different meetings. Mr. Ratcliff is working for Tutor-Saliba now and being financed by him. If that isn't a good faith effort, he doesn't know what is.

Commissioner Brooks suggested that the previous speaker who had questions about good faith efforts meet with Ms. Waller in order to better understand the requirements.

Commissioner Berman noted that this is a contentious award and will not go away after the meeting and the signing of the contract. The staff is aware of the Commission's concerns. Progress has been made and the Commission would like this to be the stepping stone for further progress. We cannot do it any better than by fulfilling the spirit of the ordinance.

Mr. Martin said that Airport staff is committed to following Commission direction and the Mayor's direction in insuring the highest possible level of minority/women participation. All segments of the San Francisco community benefit from the Master Plan program. The Commission recently approved ethnic-specific goals for larger contracts and those goals are included in the International Terminal contract currently out to bid. He wants to maintain communication with all groups and individuals who have questions and issues to work together to make sure that the goals are achieved.

He suggested that the last speaker meet with Mara Rosales and Pansy Waller to go over the good faith efforts requirements to try and provide him with a better explanation.

5. Award Professional Service Contract 5701A/E - Airport Rail Transit (ART) Maintenance Facility and Communications Systems Facilities - Hertzka & Knowles / Robert B.Wong, Associated Architects

No. 96-0124

Resolution awarding Professional Services Contract 5701A/E - Airport Rail Transit (ART) Maintenance Facility and Communications Systems Facilities, to Hertzka & Knowles / Robert B.Wong, Associated Architects and approving project construction budget.

Amount of Professional Services	
Contract:	\$ 1,325,900.00
Construction Budget Amount:	
1. ART Maintenance Facility	\$ 11,000,000.00
2. Communications Systems Facilities	\$ 1,680,000.00

Mr. Bordegaray explained that the Commission selected these architects and authorized staff to negotiate fees in February to design the maintenance facility for the Airport Rail Transit System. A 7.4% fee was negotiated for the Rail Transit Maintenance Facility which was valued at \$815,360.00. This contract also includes the design of an expansion of the Communications Center at an 11.6% design fee which amounts to \$312,00.00. The communications work demands a higher fee than the Rail Transit Maintenance Facility due to the nature of its work. In order to expand the Airport's Communication Center tenants must be moved within the building. Separate contracts are needed, resulting in additional administrative costs for the consultant. Renovation work also demands a higher fee.

Attachment A outlines the fee structure. The HRC goals for the subconsultant work was set at 17% MBE and 3% WBE for the maintenance facility. Those goals were exceeded at 17.7% and 10.3%.

The Communications expansion project was set at a combined total of 15% for both M/WBE and that goal was met.

6. Modification No. 2 to Professional Services Contract with SFO Associates for Construction Management Services

No. 96-0125 Modification No. 2 to Professional Services Contract for SFO Associates to increase scope and amount by \$1,250,000. Modification provides services for Master Plan Program Management Support Services - \$1,100,000.; Professional Services to analyze relocation of Port of San Francisco's Maintenance Facility - \$150,000. This will be funded by the Port through an Interdepartmental Work Order and therefore will be done at no cost to the Airport.

Mr. Bordegaray mentioned earlier in his report that some restructuring was done within the Bureau of Design and Construction. The International Facilities Complex (IFC) projects were going to be under a separate management team. That team will consist of Bruce Swanson, plus a staff of three to five people. The Master Plan Advisory Board, consisting of airport senior level managers, was also created.

The International Facility Manager will assist him in managing 10 of his project managers and eight of the major projects within the IFC area. The manager will be responsible for developing the IFC on-time and within budget.

The Master Plan Advisory Board will concentrate its initial efforts of developing the baseline schedule and budget for the Master Plan Program.

Included in the modification are provisions to fund a interdepartmental work order for the Port of San Francisco in order to assist the Port in their efforts for the new ballpark. Requests for interdepartmental services are not uncommon. We happen to have a resource available in the form of consultant services to assist the Port.

Commissioner Berman noted that SFO Associates was put together for this project. He was confused with the name SFO. It might look to others as if we are doing business with ourselves. If this is just a dba can we convince these firms to change the name.

Mr. Martin said that he will follow up with SFO Associates on a name change.

Commissioner Brooks asked who comprises this Advisory group.

Mr. Martin responded that the Advisory group is headed by Jason Yuen and its members include Jackson Wong, Duke Briscoe, Gene Bordegaray, our lead construction managers as well as the airlines. The fundamental level from this group is full buy in so that everyone who has a part to play in delivering this project agrees that this is the schedule and this is the budget that they will be held to. No one is being excluded from the process.

Mr. Martin added with respect to the Port work that we are obtaining 100% cost recovery for the workorder services. Jason Yuen is also providing three or four hours of work to the Port. In turn, Mr. Dennis Boury, Director of the Port along with the Port Commission, has loaned the Airport his chief data processing manager to assist the on some programs at the Airport where this data processing manager previously worked.

7. Rejection of Bids - Contract No. 5520G - Moving Conveyances for the International Terminal Building, Boarding Area A and Boarding Area G

No. 96-0126	Resolution rejecting all bids received for Contract 5520G, Moving Conveyances for the International Terminal Building, Boarding Area A, and Boarding Area G and authorization for rebid when ready.
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The apparent low bidder, U.S. Elevator Company, was determined by Airport staff and City Attorney staff not to be sufficiently qualified; the second and third lowest bids were over the Airport's budget.

Mr. Bordegaray explained that this contract will provide and install elevators, escalators and moving walkways in the International Terminal and two boarding areas ... approximately 130 units. They were combined into a single contract to take advantage of a quantity discount but also to ensure that all of the systems will be similar and from one vendor.

Three bids were received. The low bid was submitted by U.S. Elevator Company but was deemed to be non-responsive due to the lack of proper qualifications as required in the bid documents. The low bid was below the consultant's project estimate by 2.4%. The second and third bidders were over the consultant's estimate by 16% and 35% respectively. The second lowest bidder was also deemed to be non-responsive due to bid exception and qualifications that he stated at the time of bid.

There was a lack of bidding interest in this contract and significantly varying bids. This might be attributable to the fact that this contract did not include a maintenance agreement which is typical for this type of contract. This is the first time we tried to bid this type of work without one. There was a lot of discussion on this prior to going out to bid and a lot of discussion after the bids were received to evaluate why we had these varying bids. It all pointed to the fact that a maintenance agreement was not included.

He recommended rejecting all bids and rebidding the contract with a maintenance agreement. The elevators will be bid separately and the moving walkways and the escalators will be bid together.

8. Resolution Authorizing Reimbursement to Continental Airlines and Southwest Airlines for their Relocations to Accommodate the Master Plan Program

No. 96-0127

Resolution authorizing reimbursement to Continental Airlines and Southwest Airlines for the interim relocation of their operations in order to accommodate the Master Plan Program at a not-to-exceed cost of \$2,144,983.00 and \$645,000.00, respectively.

Mr. Spencer Ballard explained that the Boarding Area A construction necessitates a gate closure. As a result, USAir, Continental and Southwest have been moved to alternate gates. Item Nos. 8 and 9 are caused by the same activities.

In this case, Continental and Southwest are swapping spaces on Boarding Areas A and B. That allows Southwest's smaller aircraft to operate in a more congested area on Boarding Area A. Continental's larger aircraft will operate on Boarding Area B. There are a number of moves of club spaces, ground crew spaces, etc.

Commissioner Berman assumed that the actual cost is a result of the actual billing for time, labor and materials and is closely monitored by the Airport.

Commissioner Quan assumed that good faith efforts will be put into looking for M/WBE contactors.

Mr. Ballard responded that staff will encourage that participation.

9. Reimbursement to USAir, Inc. for Costs Incurred in the Relinquishment of Gates 10, 12 and

14. and Consolidation of Operations and Administrative Offices in Boarding Area "A" of the South Terminal in Order to Accommodate the Master Plan Program

No. 96-0128 Resolution authorizing reimbursement to USAir, Inc. in an amount not to exceed \$490,000. for costs incurred in relinquishing Gates 10, 12, and 14, and consolidating operations and administrative office space in Boarding Area A.

10. Use of Funds Control in the Airport Surety Bond Program

No. 96-0129 Adding the use of funds control to the Airport Surety Bond Program and authorizing the Airport to absorb funds control fees up to a maximum of 1% of the assisted construction contract.

Mr. Ballard explained that there are approximately 28 contractors who are receiving assistance through this program. That assistance includes improving financial statements and internal controls, assisting with the development of business plans. Three contractors have received capital assistance. To date, thirty-four bonds have been placed.

As another area of assistance we are establishing an opportunity of funds control. A bank or surety requires that a company have additional experience in managing cash flows. The surety will receive payments from the Airport for services provided or from the prime contractor. This will be one more tool in this program to provide assistance.

Commissioner Berman said that it appears that it could be a lot less than 1%.

Commissioner Brooks asked if we have had any losses.

Mr. Ballard responded that we have not.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 11 through 14 were adopted unanimously.

11. Award Contract to Operate on-Airport Shuttle Bus Service - SFO Shuttle Bus Company

No. 96-0130 Resolution awarding contract to operate On-Airport Shuttle Bus Services to SFO Shuttle Bus Company in the amount of \$3.3-million.

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations explained that since 1983 the Airport has had a shuttle bus contract in place to provide service in the terminal

area and from the parking lots to the terminal complex. The Commission granted permission to bid a new contract effective January 1998 to provide bus service from the parking facilities to the terminal complex.

Ten contractors submitted bids.

12. Modification No. 10 of Agreement with the Law Firm of Howard, Rice, Nemerovski, Canady, Robertson and Falk

No. 96-0131

Resolution approving Modification No. 10 of Agreement with Law Firm of Howard, Rice, et al to increase scope of work and funding by \$100,000.00.

Mr. Martin explained that Howard, Rice has been providing legal service to the Airport for almost 10 years and has been doing an excellent job. They were originally involved with the Airporter litigation in the mid 80s. They continue to provide services with respect to ground transportation issues.

Ms. Rosales added that this modification enlarges the scope of the firm's contract to include representation on disability access matters.

Commissioner Berman asked who represents the firm.

Ms. Rosales responded that Peter Bush is the main partner that represents us in ground transportation and other matters. Dirk Schenkan, also a partner, will represent us in disability access matters.

Commissioner Berman assumed that they will bill by the hour and that the amount listed is the maximum.

13. Self-Service Luggage Cart System - Approval to Exercise Five-Year Option and Increase Luggage Cart Pricing

No. 96-0132

Resolution increasing luggage cart pricing from \$1.00 to \$1.50 and exercising five-year option for the Self-Service Luggage Cart Agreement with Smarte Carte.

Mr. Ballard said that in the last couple of weeks the Commission should have received an off-calendar memo regarding this issue. This item exercises a five-year option in addition to a series of modifications to the contract. The first modification replaces the cart dispensers. The new unit will accept credit cards ... at present only a few cart dispensers at the Airport accept credit cards. The new dispensers will also have the capability to make change. There will also be an increase in staff to move and return the carts. There will be an increase in the share of gross revenues received from the operation.

The new carts will be installed by May, 1997 and will have bumpers in the front which will help diminish the amount of damage done to walls. The fee to rent a cart will increase from \$1.00 to \$1.50, the going rate nationwide at major airports. A recently conducted survey found that 70% of passengers will continue to use carts at a \$1.50 cost. Twelve percent thought that anything over \$1.50 would be unreasonable.

Commissioner Quan asked if the free carts in Customs program was part of this contract.

Mr. Ballard responded that it is.

Commissioner Quan asked if the cost for those carts would increase proportionately.

Mr. Ballard responded that it will not.

14. Appointment to the Board of the San Francisco Airport Improvement Corporation

No. 96-0133	Resolution consenting to the appointment of George C. Fleharty and requesting the Mayor and Board of Supervisors to approve the appointment.
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Mr. Ballard explained that the SFAIC was created in 1972. Since that time eight bond issues have been issued; two are still outstanding. The most recent issue was in 1967. The maturity on the bonds is in 2007.

Mr. Fleharty was recommended by the SFAIC and approved by the Trustee. This action will allow staff to forward his name to the Mayor and the Board of Supervisors.

* * *

I. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

Consent Items Relating to the Master Plan:

Item Nos. 15 through 23 were adopted unanimously.

15. Award of Professional Services Contract - Environmental Consulting Services for the Airport Master Plan Projects - LSA Associates, Inc.

No. 96-0134	Resolution approving contract with LSA Associates, Inc. to provide consulting services for environmental resource agencies approvals of Airport Master Plan projects in the amount not to exceed \$250,000.00.
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16. Bid Call - Contract No. 3660 - Abatement and Demolition of Chevron Hangar

No. 96-0135

Resolution approving the final plans and specifications for Contract 3660, Abatement/Demolition of Chevron Hangar and authorizing Director to call for bids when ready.

17. USAir, Inc. - Modification No. 8 to Lease and Use Agreement No. 82-0120

No. 96-0136

Resolution approving Modification No.8 to USAir, Inc.'s Lease and Use Agreement No. 82-0120 to reflect the relinquishment of Gates 10, 12 and 14, and operational and administrative office space in Boarding Area "A" of the South Terminal.

Consent Items Relating to Administration, Operations & Maintenance:

Item No. 18 was put over until after the closed session. Item No. 18 was adopted unanimously.

18. Type II Modification - Contract No. 1723B - Firehouse #2 Replacement

No. 96-0137

Resolution approving and authorizing a Type II Modification to Contract 1723B, agreement with Group 4/Architecture, Research, and Planning to increase contract cost in the amount of \$95,000.00, and to extend the contract time to July 1, 1996.

Mr. Martin explained that this had appeared previously on the calendar but was removed in order to allow Jason Yuen time to perform a mini audit of the contract and the proposed settlement. The Commission will be discussing this item in closed session.

Commissioner Brooks asked if this item could be put over until after the closed session.

Mr. Martin responded that it could.

19. Authorization to Exercise Option for Media Services Contract - Ground Transportation Services - DuDell & Associates, Inc.

No. 96-0138

Resolution exercising fourth of five options for contract with DuDell & Associates, Inc. to promote Ground Transportation Services for an additional year, effective June 28, 1996 thru June 27, 1997, with a budget of \$350,000.00.

20. Award of Annual Report Contract - Tenazas Design

No. 96-0139

Resolution awarding Annual Report Contract to Tenazas Design in the amount of \$59,132.00 and authorizing the Director of Airports to exercise option for second year at his discretion.

21. A.I.P. Project No. 3-06-0221-96-01/Project Application

No. 96-0140

Resolution requesting the Mayor to recommend a resolution to the Board of Supervisors granting the Airports Commission authorization to execute and file a project application with the FAA for a Federal Assistance. Grant amount: \$9.14 million.

22. Resolution Honoring the Airport Community Roundtable on their 15th Anniversary

No. 96-0141

23. Resolution Ratifying Personnel Actions

No. 96-0142

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

J PUBLIC HEARING:

The Public Hearing was convened at 10:44 AM and adjourned at 10:51 AM. There was no public comment on any of the Public Hearing items.

24. Hearing on Proposed Additions and Amendments to Sections of the Airport's Rules and Regulations

Hearing on Proposed Amendments and Additions to Section 1.4.7(B)(2)(d), Appendix C and Appendix D of the Airports Rules and Regulations

Mr. Martin explained that this is a periodic amendment of the Airport's Rules and Regulations. These are routine changes to operating procedures for limousines, a fine schedule for ground transportation operators and it identifies the "Transit First Policy" recently approved by the Commission.

Commissioner Mazzola asked if these fines were different from the parking fines normally

approved by San Mateo.

Mr. Fein responded that these fines have been in place for some time. The San Mateo courts want a breakdown and a clear definition of each fine.

25. Hearing on Restructuring of Public Parking Rates

Hearing regarding proposed restructuring of public parking rates for durations exceeding (1) 24 hours in garage and valet and (2) 7 days in Lot D.

Mr. Ballard explained that this item and Item No. 26 address parking rates. Both were designed to achieve requirements of the Memorandum of Understanding with the airlines.

An increase in public parking rates for individuals in short term parking who park beyond 14-hours is being proposed. The long term lot would increase rates for those who park beyond one week. Comparable changes will also be made for valet parking and handicapped rates.

These rate are forecasted to produce approximately \$2.4-million which is slightly below target in the MOU. Since the rates for public parking were increased twice in 1995 it would be appropriate to reduce the rate increases to see if the market responds appropriately. Customer reaction will be watched very closely.

Commissioner Brooks asked if this means that we have more people taking public transit.

Mr. Ballard responded that as we see a continuing demand for parking at the Airport that the parking rate increases will be an additional incentive for considering public transit.

Mr. Martin added that there has been a continuing increase in the percentage of transit ridership. We are up to 36%, the highest in the country.

Commissioner Berman noted that 7% of the customers occupy 46% of the garage space. That is way out of proportion of the normal use of the garage and what it is intended for.

Commissioner Quan asked if there is abuse of handicapped parking.

Mr. Fein explained that disabled parking is double checked. Not only must the vehicle display a disabled license plate or placard, the driver of the car must also produce an I.D. proving that he is the owner/driver of that vehicle and that he is disabled. When a car is parked on the street the only evidence a police officer can go by is the licence plate, so anyone could be driving that car. In our circumstance, the driver must go through the cashier booth and produce proof.

Mr. Martin explained that we have had problems over the years with tenant employees using handicapped permits. Spot checks over the years of license plates identified names

and calls to employers were made to verify if the employee was disabled. Many violations were found in the past but we feel that those problems have been corrected.

26. Hearing on Increase in Tenant Parking Rates

Mr. Ballard explained that this item once again encourages the use of public transit for our employees. In addition to the MOU with the airlines we contemplated that tenant parking will become a self-supporting enterprise by the conclusion of the Master Plan.

One of the interesting features is that in cooperation with United Airlines we discussed whether or not tenant parking should be considered a single cost tool or an individual cost tool. Rather than charge employees who use the parking garage a higher rate than those who use the surface lot, an agreement was reached that all tenant parking would be at the same rate.

We believe that by setting the rates now for this four year period we give our business customers as well as employees who pay their own permits an opportunity to plan their own finances to be able to accommodate these increases as they occur.

Commissioner Mazzola asked if the employees to which Mr. Ballard was referring were tenant employees and not our employees.

Mr. Ballard responded that this does not include our employees.

Mr. Martin added that this proposal has been reviewed with the effected unions.

* * *

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Stan Horn, publisher of a monthly newsletter about construction progress at the Airport, said that he has nothing to add to the correspondence already provided to the Commission but wanted to introduce to the Commission a copy of the front page of yesterday's New York Times. Three pages of that paper talk about the Kennedy Airport revamping. The article shows a plot plan and exterior and interior architect's renderings. These are the items he has been unsuccessful in seeing. Commissioner Quan assumed that Mr. Horn was receiving all the information that everyone else is receiving.

Ms. Rosales added that Mr. Horn is entitled, as a member of the public, to receive any record of the Airport that contains information that is discloseable to the public. He will receive information upon appropriate request.

Mr. Horn added that there are also quotes in the article from suppliers and contractors, so obviously Kennedy Airport has not asked their contractors to refrain from speaking to the New York Times people. He has not been afforded the same privilege.

* * *

L. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

M. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(C) to confer with legal counsel regarding a settlement of an unlitigated claim entitled CCSF v Group 4/Architecture, Research and Planning, Inc., Contract No. 1723B; and, Government Code Section 54956.9(b)(1) regarding potential litigation.

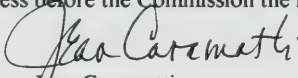
The Commission recessed its meeting at 11:00 AM to go into closed session and reconvened at 11:20 AM to discuss Item No. 18.

The Airports Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:22 AM.


Jean Caramatti
Commission Secretary

African American Contractors
of San Francisco

4401 Third Street
San Francisco, California 94124
Phone (415) 550-8482 Fax (415) 695-1845

May 20, 1996

Airports Commission
San Francisco International Airport
San Francisco, California 94128

Re: Airport Contract No. 5520E
Boarding Area G

Dear Commissioners:

We appreciate the efforts of the Human Rights Commission to determine whether the apparent low bidder on the above contract has met the minority business subcontracting requirements of Chapter 12D. HRC's conclusion, however, is troubling. How can the Human Rights Commission approve a contract with only 11.7 percent minority participation when the goal is 20 percent and plenty of reasonable bids from legitimate minority contractors were available?

In addition, we believe that a careful reading of Chapter 12D will, as detailed below, further reduce the eligible MBE participation to only \$3,555,300. Out of the total bid of \$63,640,000, that is only 5.6 percent -- unacceptably short of the 20 percent goal.

Therefore, we ask that you reject all bids so that the project can be rebid with clear instructions to the prime bidders that the Airports Commission is serious about maximizing minority and women participation. If you are not prepared to take that step today, however, we ask that you postpone award of the contract pending further review. Please consider the following:

1. Good faith efforts Chapter 12D, section 12D.9.(D), provides that "bids not meeting the requirements of Section 12D.9.(D)-(2) [that prime bidders 1) demonstrate their good faith efforts in their bid and 2) list in their bid the MBEs they will use and the scope of work and price for each] shall be declared non-responsive." For a bid that does not meet the MBE subcontracting goals to avoid being rejected, then, the prime bidder's account of its good faith efforts to meet the goal must be convincing.

Section 12D.9.(D)-(5) lists the factors upon which the MBE or WBE goals can be waived or reduced: that M/WBE subcontractors are unavailable or that their price quotes are unreasonably high. We understand that a rule of thumb in contract compliance is that the listing of M/WBEs by competing prime bidders is evidence that

M/WBEs are available at a reasonable price.

HRC's conclusion that the apparent low bidder on this project can be credited with only 11.7 percent MBE participation against a goal of 20 percent, yet is eligible for award of the contract based on its good faith efforts documentation, should be reexamined. Many more MBE subcontractors were listed by other prime bidders and thus were presumably available at reasonable prices to the apparent low bidder.

In addition, an African American MBE reports that he bid \$390,000 for the millwork and although he was not listed by any of the three low bidders, one of them listed a non-M/WBE for \$400,000. Yet the MBE was told that his bid was too high. That is nobody's definition of good faith efforts!

2. MBE/non-MBE joint venture subcontractors Deciding whether and how much of a listed joint venture subcontractor's price to count toward the MBE goal requires, we believe, a two-part analysis: first, is the joint venture an MBE? and second, if so, how much of the joint venture's work will be performed by the minority partner?

In the HRC's May 14 letter to Gene Bordegaray, a copy of which is attached, they seem to have skipped the first step. Chapter 12D, section 12D.5, defines a minority business enterprise (MBE) as a business "owned and controlled" by minorities. "Owned" is defined as possession of a 51 percent ownership interest, including 51 percent of the "capital, equipment and expertise." "Controlled" is defined as possession and continuous daily exercise of the "legal authority and power" to manage and operate the business.

In our experience, joint ventures composed of a large non-MBE partner and a small MBE partner are not truly owned and controlled by the minority partner. Therefore, they do not meet the definition of MBEs, and none of their work can be counted toward the MBE subcontracting goal.

If the two MBE/non-MBE joint venture subcontractors listed by the apparent low bidder on this project are not MBEs, then no amount of their bids can be credited toward the MBE goal. This further reduces the allowable MBE participation by \$2,487,917.

3. Lower-tier subcontractors Chapter 12D, section 12D.5, defines a subcontractor as a "business providing goods or services to a contractor" in contract with the City and County of San Francisco, i.e., a prime contractor. Therefore, a lower-tier subcontractor, one which provides goods or services to a subcontractor, does not qualify and its bid cannot count toward the MBE goal.

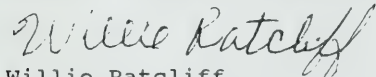
We believe that Chapter 12D was written this way to discourage the use of MBEs as lower-tier subcontractors because of the history of their abuse at that level. For example, lower-tier MBEs are sometimes coerced into bidding too low a price for their work and then have trouble collecting payment, as they are several tiers away from the project owner.

HRC has counted five lower-tier subcontractors and suppliers toward the MBE goal for a total amount of \$1,428,000. This amount should be deducted.

Based on these considerations, we believe that Boarding Area G should be rebid. We want to work diligently with you to meet the overall 30 percent goal for the Master Plan. Approving this \$63.6 million project with only 5.6 percent minority participation would be tragic.

Sincerely,

AFRICAN AMERICAN CONTRACTORS OF SAN FRANCISCO

A handwritten signature in cursive script that reads "Willie Ratcliff". The signature is written in dark ink and is positioned above the printed name and title.

Willie Ratcliff
President

Enclosure

cc: Mayor Willie L. Brown, Jr.
John L. Martin, Director of Airports
Edwin M. Lee, Executive Director, Human Rights Commission

Edwin M. Lee
Director



May 17, 1996

TO: Interested Bidders/Persons
FROM: Pansy P. Waller *PPW*
RE: Airport Contract No. 5520.E
Boarding Area "G"

I am sending you the analysis on how the Tutor-Saliba/Perini & Buckley, J.V. was credited by the HRC on the referenced contract.

Please note that the joint venturers were credited based solely on the actual work the MBE would be performing in the joint venture.

The suppliers listed were credited only 60% of the purchase order.
How HRC reviewed the MBE/WBE participation was based on the HRC guidelines mentioned in the enclosed letter.

Please call me at 737-7724 if you have any questions.



MBE / WBE

SUBCONTRACT AWARD INFORMATION

CONTRACTOR Tutor Saliba/Perini & Buckley, JV

Base Bid \$63,520,000
 Alternate 1 \$20,000
 Alternate 11 \$100,000
 Allowance \$1,153,100

TOTAL \$64,793,100
TOTAL for M/WBE \$63,640,000

SUBCONTRACTORS	SERVICES PERFORMED	MBE		ACTUAL		WBE		ACTUAL		PERCENTAGE OF PARTICIPATION
		AMOUNT CLAIMED	AMOUNT CREDITED	AMOUNT CLAIMED	AMOUNT CREDITED	AMOUNT CLAIMED	AMOUNT CREDITED	AMOUNT CLAIMED	AMOUNT CREDITED	
Golden Gate Glass	Glass work supplier	\$500,000	\$300,000							0.47%
Capital Glass	Misc. Glass supplier	\$250,000	\$150,000							0.24%
Specialties	Misc. Material supplier					\$250,000	\$150,000			0.24%
Metal Set Inc.	Misc. Stair/Rail supplies	\$250,000	\$150,000							0.24%
K-Z Tile	Ceramic Tile	\$240,000	\$240,000							0.38%
Korotkin & Assoc.	Landscaping					\$47,000	\$47,000			0.07%
Perretti & Park	Project Photos					\$15,000	\$15,000			0.02%
Omega Pacific Electric	Lighting Supplier	\$980,000	\$588,000							0.92%
Myron Demolition	Excavation/Demolition	\$698,300	\$698,300							1.10%
Landavazo Bros.	Pump,Place Furn,Concr.	\$2,203,000	\$2,203,000							3.46%
Pioneer Roofing	Roofing	\$654,000	\$654,000							1.03%
Bay Area Constructors	Drywall/Plaster	\$6,126,000	\$1,314,117							2.06%
Phoenix Paint Co.	Painting					\$390,000	\$390,000			0.61%
Scott-Norman, J.V.	Plumbing/HVAC	\$7,800,000	\$1,173,800							1.84%
Scott-Norman, J.V.	Fire Protection	\$1,500,000	N/A							

TOTAL CLAIMED MBE/WBE PARTICIPATION : \$21,201,300 \$7,471,217 \$702,000 \$602,000 11.74%



Edwin M. Lee
Director

May 14, 1996

Gene Bordegaray, Administrator
Bureau of Design & Construction
SFIA
P.O. Box 8096
San Francisco, CA 94128

RE: Airport Contract No. 5520.E
Boarding Area "G"

Dear Mr. Bordegaray:

After further review of the affirmative action submittals and the "good faith efforts" documentation submitted by the apparent low bidder-Tutor-Saliba/Perini & Buckley, a Joint Venture, I am recommending that on the two joint ventures listed on the subcontractor level that the apparent low bidder receive credit for the MBE participation as is set forth in Chapter 12 D, Section 12.D.8 (B) which applies to prime contractor bid preferences for joint ventures. The HRC may grant credit to a joint venture when the MBE or WBE is an active partner in the joint venture and performs work, manages the job and takes financial risks in proportion to the required level of participation stated in the bid documents and is responsible for a clearly defined portion of the work to be performed, and share in the ownership, control, management responsibilities, risks and profits of the joint venture. The portion of the MBE or WBE joint venture's work shall be set forth in detail separately from the work to be performed by the nonMBE joint venture partner. The MBE or WBE joint venturer's portion of the contract must be assigned a commercially reasonable dollar value.

In determining whether to grant MBE or WBE credit to a joint venture at the subcontractor level the HRC will consider whether the MBE/WBE is licensed to do the work for which credit is claimed. Based on the above HRC guidelines, Al Norman Plumbing does not have the requisite licenses to do 51% of the J.V. work. He only has a C-36 Plumbing license. Therefore, for the Scott-Norman, J.V., only \$1,173,880 shall be credited for the participation of Al Norman Plumbing, the certified MBE in the joint venture.

For the Bay Area Contractors, J.V., only \$1,314,117 can be credited for the participation of S & S Construction, Inc., the certified MBE in the joint venture. This amount is based on the portion of Drywall work as estimated by the cost



estimate for Drywall work. Tutor-Saliba has listed Bay Area Contractors, J.V. for \$6,126,000. But using the HRC guidelines mentioned above, credit shall be given only for the scope of work that S & S Construction will perform, which is \$1,314,117.

For the participation of the listed MBE/WBE suppliers only 60% credit was given for the purchase order instead of counting the participation 100%. Granting the participation of suppliers as 60% is based on the HRC Attachment 1 Human Rights Commission Requirements for Airport Construction Contracts, Part 1.04 Definitions (H) Determination and calculation of MBE/WBE subcontractor involvement.

Therefore, based on this new information, the apparent low bidder, Tutor-Saliba shall be credited for a total MBE dollar amount of \$7,471,217 or 11.7% of \$63,640,000 instead of \$11,655,630 or 18.3% as had originally been reported in my letter of April 26. The WBE participation remains the same which is \$602,000 or .9%. Even though Tutor-Saliba/Perini & Buckley, J.V. was deficient in achieving the subcontract MBE/WBE goals, the "good faith efforts" documentation was reviewed and accepted.

Therefore, the apparent low bidder - Tutor-Saliba/Perini & Buckley, J.V. shall be considered eligible to receive the referenced contract in accordance with Chapter 12 D of the San Francisco Administrative Code.

Please call me at 737-7724 if you have any questions.

Sincerely,



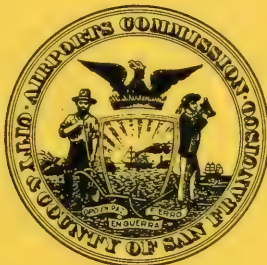
Pansy P. Waller
Contract Compliance Officer

cc:

John L. Martin, Director of Airports, SFIA
Tom Rodrigues, Project Manager, BDC
Edwin M. Lee, Director, HRC
Sandra Crumpler, Manager, MBE/WBE Opportunity Office
Lourdes Cunanan, MBE/WBE Opportunity Office
Maria Cordero, MIS Unit, HRC
Chron File, HRC

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Special

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 11, 1996

✓ SPECIAL MEETING

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
June 11, 1996
Special Meeting

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Airports Commission Special Meeting
June 11, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Henry E. Berman, President
	Marie K. Brooks, Vice President
	Michael S. Strunsky
	Roland A. Quan
	Larry Mazzola

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 21, 1996 were adopted by order of the Commission President.

No. 96-0144

* * *

D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. Naming of the San Francisco International Airport Aviation Library, Archive and Museum

No. 96-0145

Resolution approving the name of the San Francisco International Airport Aviation Library, Archive and Museum as "The San Francisco Airports Commission Aviation Library and the Louis A. Turpen Aviation Archive and Museum".

Mr. John Martin, Director of Airports, felt that this was a fitting honor for Lou Turpen who served the Airport with great distinction for 15 years as Director. Along with Commissioner Bernstein, he founded the Aviation Library program. Mr. Turpen was also involved in helping to obtain materials for the library and has on loan many of his own pieces.

A ceremony will be held the next time Mr. Turpen is in town; probably in the Fall of this year. Hopefully, it will be in conjunction with an exhibit of items from the Aviation Library.

Commissioner Brooks thought this was an appropriate honor, having worked with Mr. Turpen for several years and knowing his interest in the Airport, the Museum and the Archive.

Mr. Martin said that he will send Mr. Turpen a copy of the resolution.

Commissioner Strunsky asked if the Library and the Museum were two distinct entities.

Mr. Martin responded that the Museum and Archive is a sub-element of the Library which is the larger program.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky thought that LAX's signage is easier to read and react to than ours.

Mr. Martin said that we will be using the same consultant.

* * *

F. POLICY:

Item No. 2 was adopted unanimously.

2. Policy Establishing Operating Requirements and, Conceptually, Fee Criteria for On- and Off-Airport Rental Car Operations

No. 96-0146

Resolution approving increase in the Gross Receipts Fee for Off-Airport Rental Car Operators from 7% to 10% upon the opening of the Airport's consolidated rental car facility. The resolution also establishes a policy requiring on- and off-Airport rental car companies to pick up and drop off customers only at the common rental car facility and, conceptually, establishes a fee for the use of the Airport's unified transportation system.

Mr. Martin explained that this item will set the policy basis for staff to move ahead with bidding concession agreements for the rental car facility. The agreements will likely begin in 1999. Staff will return to the Commission later this year for approval of the pre-bid documents.

The policy resolution takes three specific actions. First it establishes a 10% gross receipts fee for both on and off Airport rental car companies. By establishing that fee now, the off-Airport companies will know the ground rules ahead of time and will have the opportunity to bid for the rental car concession operating agreements on Airport. It also establishes one central pick up and drop off point which will be the rental car terminal located in the existing site of the long term parking lot. All rental car customers will be required to take the Light Rail System to the rental car terminal. All rental car companies will be at that location. Anyone going off Airport will be required to transfer to the off-Airport bus or van at that point.

This is important in maintaining a level playing field. If we allow off-Airport companies to pick up at the curbs in front of the terminals, it would put them at a competitive advantage over the on-Airport companies whose customers will all be using the Light Rail System.

Commissioner Strunsky noted that off-Airport companies will not pay anything on their first million in annual revenue and asked. If the annual revenue is \$1,000,010.00, that company would pay only \$1.00 for this service.

Mr. Martin responded that they will still be required to pay the fee for use of the Light Rail System on a per contract basis. The 10% would be paid on gross revenues over \$1-million. That exemption takes a whole class of very small off-Airport operators out of the equation. Those small companies would make this a lot more complex because we are not providing bidding opportunities for them to be on Airport. That exemption recognizes that there are not bidding opportunities that do less than \$1-million a year.

Commissioner Strunsky asked if we have audit rights on anyone who has a bus that picks up passengers at the new rental car center.

Mr. Martin responded that we perform regular audits of the off-Airport companies to make sure they correctly verify their off and on-Airport customers.

Commissioner Berman asked what their per trip fee would be.

Mr. Martin responded that a per trip fee has not yet been determined, but he would like it to be at cost recovery. We have been talking to the rental car industry about a \$3.00 per transaction fee in today's dollars. That is against an average rental car transaction of about \$160.00. That fee at the bottom of the rental car contract will pay for the transportation fee. Staff will return to the Commission at a later date when the amount has been finalized.

Commissioner Brooks asked how far passengers will have to take their luggage to get on the Light Rail System as opposed to being picked up by a rental car company bus.

Mr. Martin responded that the trip would be equivalent to a walk that customers make today to catch a bus. They get their luggage on the lower level, take the escalator up and walk across to the center island on the upper level roadway. Now they will take an

elevator up from the baggage level to the bridge that crosses over the roadway to the Light Rail Station. There is an equivalent level of convenience but the advantage is that the passenger will not be out in the elements.

Commissioner Berman asked if it would be convenient for passengers to use a cart to make that trip without any impediments.

Mr. Martin responded that passengers will be able to use carts.

Commissioner Strunsky noted that there will be a period of time, when the new rental car facility is built in late 1998, early 1999, and the Light Rail System becomes operational where there will be a single bus for all rental car rental companies.

Mr. Martin responded that we are currently in discussion with the rental car industry about that. It would be his recommendation that we have a common busing system that would be operated by the rental car companies. They could use their existing fleets and pool them into a common system. He acknowledged that that would be a subject of further discussion and a difficult item to work out. Since there will be a common destination for all rental car customers he would like to have a common busing system.

Commissioner Berman asked how far a white cap could transport luggage for a passenger.

Mr. Martin responded that in theory they could go as far as the rental car facility; in practicality that probably would not happen very often. It is more likely that passengers may leave luggage at the terminal with a traveling companion and drive back around.

Commissioner Strunsky noted that white caps could assist passengers in getting to ART.

Mr. Martin agreed. We could also look at having white caps in the rental car terminals.

Commissioner Brooks felt some reluctance at having to get on the Light Rail to go to the rental car facility, but thought that the Commission should be guided by the staff recommendation on the best course of action.

Item No. 3 was adopted by a 3 to 2 vote, with Commissioners Strunsky and Mazzola casting the dissenting votes.

3. Policy to Limit Contractors' Liability for Damages Incurred as a Direct Result of an Earthquake

No. 96-0147

Mr. Martin explained that the OCIP program does not include earthquake damage for contractors. Staff is proposing a 5% contractors liability for earthquake damage. That is consistent with industry practice and the State standard. He believed that this was a

reasonable level of risk for the Airport to absorb given the industry practice and our cash balance that we maintain for these types of emergencies.

Commissioner Strunsky asked how our Bond Counsel felt about this.

Mr. Martin said that Mr. Leo Fermin, Assistant Deputy Director for Business and Finance, works directly with Bond Counsel and can respond, however, having worked with Bond Counsel for 15 years, he would have heard if there had been concerns.

Commissioner Brooks asked if this only applies during construction, and not faulty construction.

Mr. Martin responded that it does not include faulty construction.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was adopted by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

4. Award of Contract No. 5510A - Boarding Area A Site Preparation and Piling
Miller/Thompson-Dillingham, A Joint Venture

No. 96-0148

Resolution awarding Contract 5510A, Boarding Area A Site Preparation and Piling, in the amount of \$3,488,237.00, to Miller/Thompson-Dillingham, A Joint Venture. Work will include the site preparation, demolition, and precast concrete pile fabrication and installation.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction explained that the Commission authorized a bid call for this project on February 6. Two bids were received on April 16. Miller/Thompson-Dillingham, A Joint Venture was the low bid.

A bid protest was filed by the second bidder which alleged that a bid preference of 10% was a violation of the Public Contract Code. Qualifications of a subcontractor for the pile installations were also called into question.

The protests were reviewed by the Human Rights Commission (HRC) and Airport legal

staff and found to be without merit.

The HRC established a combined goal for this contract of 13% for M/WBE. The contractor achieved 17.4%.

Commissioner Quan asked why Miller/Thompson received a preference for Item No. 4 and not Item No. 5.

Ms. Pansy Waller, HRC Contract Compliance Officer, responded that since the apparent low bidder was being recommended for award on Item No. 5, there was no need to review the other bids.

Commissioner Quan recommended that in the future a comment should be added explaining that if the apparent low bidder is being recommended for award, the other bids are not reviewed.

Commissioner Mazzola said that he keeps wrestling with the issue of paying more for M/WBE participation. This will add up to a lot of money over the life of this project and does not make good business sense.

Commissioner Brooks noted that this is a San Francisco firm and brings money into our City. While she is concerned that we are paying more, she said it is also important to adhere to the minority program.

Mr. Martin noted that part of the reason the Board adopted the M/WBE ordinance is that the cost of doing business in San Francisco is higher than in the neighboring areas. That is part of the justification for giving bid preferences. He assured the Commission that the Airport will keep track of cases where bids produce higher costs as a result of the M/WBE ordinance and will keep the Commission apprised of the total cost.

Commissioner Strunsky asked if a contractor pays a gross receipts tax if he has an office outside of San Francisco but is working at SFO.

Ms. Rosales responded that she did not know but will check on it.

Commissioner Quan said that a contractor would not pay. They are considered exempt wages.

Item Nos. 5 through 7 were adopted unanimously.

5. Award of Contract No. 5600AR - Temporary Detour Roads R-16 and R-18
JMB Construction Company/Granite Rock Company, A Joint Venture

No. 96-0149

Resolution awarding Contract No. 5600AR,
Temporary Detour Roads R-16 and R-18, to the
lowest responsive, responsible bidder, JMB

Construction Company/Granite Rock Company, A Joint Venture, in the amount of \$1,165,000.00.

This contract must precede the General Building Contract and is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airports Commission on November 3, 1992.

Mr. Bordegaray explained that the Commission authorized bids for this contract in December of last year. Bids were received in February of this year but were over the budget and were rejected. The contract was re-bid on May 16. Five bids were received. The low bid was submitted by JMB Construction Company/Granite Rock Construction Company, A Joint Venture.

Two protests were filed by the second low bidder ... one was against the low bid and the other was against the third bidder. Both protests were reviewed by legal staff and by HRC and were found to be without merit and denied.

The HRC established a combined goal of 27% for the contract. The contractors achieved a 39.2% combined goal.

The original contract was for approximately \$1.3-million. Value engineering was done on the project that resulted in a redesign and reduced the amount by \$135,000.00.

6. Award of Contract No. 5826E - Plot 41 Hardstands, Phase E 60Hz. Electrical System Millard Tong Construction Company

No. 96-0150

Resolution awarding Contract No. 5826E, Plot 41 Hardstands, Phase E, 60Hz. Electrical System, to the lowest responsive, responsible bidder, Millard Tong Construction Company, the amount of \$1,070,500.00.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that Plot 41 is located next to the Superbay Hangar. This resolution will award a fourth phase for Plot 41 and will include the wiring, cabling and lighting fixtures to supply lighting service to the area. Currently, only temporary lighting is available, using portable generating light fixtures that are maintained around the clock. We are spending approximately \$25,000. a month to provide that service. This contract will establish lighting for this area.

Two bids were received on May 16. Millard Tong was the low bidder. One protest was received from the second bidder alleging issues over a subcontractor's license qualifications. The HRC and staff investigated the allegations and found that the subcontractor had the required licenses and met the requirements to do the work.

The HRC goals were 19% for MBE and 3% for WBE. Millard Tong's bid exceeded the goals with 30% for MBE and 7.8% for WBE.

Commissioner Brooks noted that staff's estimate was considerably higher than Millard Tong's bid and asked if we are confident that the bid includes everything.

Mr. Wong said that Mr. Tong's bid was checked. The difference was not in the specific supply of equipment but in the general electric work, such as how he will go about phasing the work and how many hours a day they plan to work.

Commissioner Mazzola asked if these bids are under the project agreement.

Mr. Wong responded that they are not.

Commissioner Mazzola asked Mr. Wong if he was saying that the difference was in labor. The second bidder is \$700,000.00 higher in labor.

Commissioner Brooks said the difference was \$200,000.00.

Commissioner Mazzola said that that is off of the engineer's estimate.

Mr. Wong explained that the low bid was compared with our engineer's estimate.

Commissioner Mazzola asked why there was a \$700,000.00 difference between the two bids.

Mr. Wong responded that the engineer's estimate is in between.

Commissioner Mazzola disagreed.

Commissioner Strunsky noted that this was bid outside the labor agreement so what we have is a contract with prevailing wage. In fairness, so that our bidding can be competitive all the way through, we have to recognize that there is a \$700,000.00 difference between the way these two contractors looked at this job.

Commissioner Quan said that contractors may aggressively bid some jobs and not others because they are employed elsewhere. He asked if Millard Tong is a union contractor.

Mr. Wong responded that he did not know.

Commissioner Strunsky said that he was concerned that the prevailing wage rules be enforced.

Mr. Wong said that the Airport's Prevailing Wage Unit becomes functional on July 1st. The project will require the monitoring of prevailing wages.

Mr. Martin noted that all of the utility contracts are experiencing a wide variation on

bidding. He will provide a report to the Commission at a later date. There are so many contractors doing work on utilities and electrical work at the Airport already that they are relatively busy and not necessarily bidding as aggressively consistently.

Commissioner Brooks noted that Commissioner Mazzola questioned paying more because of preferences and asked if the Project Labor Agreement would cost us this much on every bid. She wondered if Millard Tong had not been able to qualify, would his costs have gone up that much under the Project Labor Agreement.

Commissioner Strunsky said that as long as staff has checked this out he thought the bid should be accepted.

7. Approve Short-List of Consultants for an FAA Environmental Assessment (EA) of the SFIA Master Plan

No. 96-0151

Resolution approving a short-list of three environmental consulting firms to be submitted to the FAA for final consultant selection to prepare an Environmental Assessment of the Master Plan.

Mr. John Costas, Administrator, Bureau of Planning and Environmental Affairs, said that last December the Airport agreed to a Memorandum of Understanding (MOU) with the FAA to prepare an environmental assessment on the Airport's Master Plan. The purpose of the MOU is for FAA review and approval of an Airport Layout Plan (ALP), to maintain our eligibility in the Airport Improvement Program (AIP), and provide the Commission the ability to apply for a PFC for any of the Master Plan projects.

We worked with the FAA to send out requests for qualifications. Our outreach was to about 77 consulting firms, including 55 minority firms. We received statements of qualifications from six consulting firms. Those statements of qualifications were evaluated by Airport staff, including Jason Yuen, the Commission's consultant, and were ranked accordingly. A short list of four firms was developed. The short list consists of Environmental Science Associates, Leigh Fisher, Landrum and Brown, and, P and D Aviation.

HRC reviewed the process and determined a participation goal for M/WBE at 10%. None of the prime firms qualified for a bid preference.

It is the Airport's responsibility to pre-select a short list. The FAA, with the Airport, will interview these firms on June 18 and the FAA will have the final decision on which firm will do the work.

Commissioner Quan asked why the FAA has the final authority to select the firm.

Mr. Costas responded that this environmental assessment is a Federal document and is really the FAA's environmental review, not the Airport's.

Commissioner Quan asked if the FAA was paying for this.

Mr. Costas responded that the Airport pays for the consultant.

Commissioner Strunsky assumed that the Airport is doing this in order to be eligible for Airport Improvement Program grants as well as being eligible to initiate a passenger facility charge. He wanted to make sure that no one assumes that because he is voting for this that he will also vote for a passenger facility charge.

Mr. Costas responded that nothing contained in this authority has anything to do with applying for a passenger facility charge.

8. Award of Sale of Issue 11 Bonds

No. 96-0152

Resolution awarding sale of Issue 11 bonds in the amount of \$82.3 million.

Mr. Leo Fermin explained that in January the Commission authorized the issuance and sale of Issue 11 bonds. This morning five competitive bids were received. The winning bidder was a syndicate led by BA Securities at 6.29%. The winning syndicate's two MBE firms are W.R. Lazard and Redwood Securities; Alamo Securities is a WBE firm.

In comparison to the Airport Airline MOU regarding the Master Plan, we projected that we would have to issue bonds for a total par amount of \$8.7-million. We were able to reduce that amount to \$83-million. We had also projected an interest rate of 6.6%. This bid of 6.2% resulted in a total savings of about \$500,000.00 a year over the 30-year life of the bonds.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 9 through 11 were adopted unanimously.

9. Additions to Five Year Capital Projects Plan

No. 96-0153

Resolution approving additions to five-year capital projects plan totaling \$33,925,500.00.

Mr. Martin said that these projects have received airline approval, with the exception of the International Terminal expansion project which is expected to receive approval this week. The Plot 70 parking structure for \$22-million is the largest project. It will be incorporated in the employee parking cost center so that over time the debt service and operating cost for this parking structure will be recovered through the employee parking rates.

Commissioner Brooks asked what the time estimate would be.

Mr. Martin responded that it would be a 30-year financing.

Commissioner Strunsky thought it seemed a fairly good walk from the ART terminal.

Mr. Martin explained that this structure will primarily serve employees in the West Field Cargo area. This area includes the United Flight Kitchen. It will also provide parking for all cargo employees in the area. Initially there may be some United employees who work in the terminal complex who will park in that area. United can run a bus from this structure to the terminal. In the long run it is unlikely that anyone outside of the West Field Cargo area will park in this structure.

Commissioner Brooks asked how many cars this facility will hold.

Mr. Martin responded that it will hold between 1,200 to 1,600 cars.

Commissioner Berman noted that this will be finished in November, 1998. This leaves a gap between that time and the completion of the International Terminal. What is the means of access for the people who will park there to their place of work.

Mr. Martin responded that the parking structure will be immediately adjacent to the United Flight Kitchen and construction of both facilities will be completed at the same time. Employees who work in the terminals will be bused by United to the terminals.

Commissioner Strunsky asked what was meant by the statement "... although the International Terminal interim expansion project has not been formally approved by the airlines, it is being included at this time at the urging of the airlines."

Mr. Martin explained that the airlines recognize the need for this project but they only meet once a month and that meeting doesn't occur until Wednesday of this week. They have conveyed to staff that they would approve the project and preferred that we keep it moving ahead.

Commissioner Brooks thought that \$12,000 to \$14,000 per parking space a large cost.

Mr. Martin explained that that cost is very low these days, given the earthquake standards. We spent almost a year trying to drive down the cost on the parking structures in front of the new International Terminal and those costs are coming in around \$18,000 to \$19,000 per stall.

Mr. Martin said that the Lot DD structure under construction, which does not incorporate the very latest earthquake standards, is about \$10,000 to \$11,000 per stall.

Commissioner Berman asked when the airlines will expedite the approval process.

Mr. Martin responded that he expected the airlines to approve this item tomorrow. We

hope to have the new facilities in place by the summer of 1998.

Commissioner Berman asked what would happen if they are not completed.

Mr. Martin did not see any possibility of that happening. Given the congestion we have in the International Terminal, the airlines all recognize the need for these new facilities.

10. Restructuring of Public Parking Rates

No. 96-0154 Resolution approving proposed restructuring of public parking rates for durations exceeding (1) 24 hours in garage and valet and (2) 7 days in Lot D.

Mr. Martin said that a public hearing was held at the last meeting. No comments from the public were received.

Commissioner Strunsky recommended that the next time this issue comes up we think about a \$2.00 minimum for garage access and usage.

Mr. Martin said that he will look at it. His concern has always been to encourage people who are simply picking up a passenger to use the garage rather than circle the roadway. While \$2.00 doesn't seem like much, it could make a difference in the number of cars circling the roadway.

11. Increases in Tenant Parking Rates

No. 96-0155 Resolution approving increases in tenant parking rates.

Mr. Martin said that a public hearing was held at the last meeting. There were no comments from the public.

Commissioner Strunsky hoped that we would look at this more than once every ten years.

Mr. Martin explained that although this approves a schedule for a four year period, staff will be evaluating it on an annual basis to make sure that we are at the correct level.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 12 through 16 were adopted unanimously.

12. Early Termination of Continental Airlines, Inc's Lease Nos. PUC 21391 and PUC 21968, as Modified, for Plots 10 and 10C

No. 96-0156

Resolution terminating Continental Airlines, Inc.'s Lease Nos. PUC 21391 and PUC 21968, as modified, for Plots 10 and 10C, effective July 8, 1996.

13. Additions and Amendments to Sections of the Airport's Rules and Regulations

No. 96-0157

Adoption of Proposed Additions and Amendments to Section 1.4.7(B)(2)(d), Appendix C, and Appendix D of the Airport's Rules and Regulations.

14. Acknowledgement of Final Five-Year Lease Option and Approval of Reappraisal of Chevron U.S.A., Inc., Plots 24 and 25 Bulk Fuel Storage and Refueler Loading Site

No. 96-0158

Resolution acknowledging the exercise of option for the final five-year term of Chevron USA, Inc.'s Lease of Plots 24 and 25 Bulk Fuel Storage and Refueler Loading Site, pipeline rights of way, and establishing fair market land rental value for the remaining term.

15. CalTrain-SFO Shuttle Operation and Funding

No. 96-0159

Authorizes staff to seek, accept and expend grant funds for the Off-Airport portion of the Cal-Train-SFO Shuttle for FY 1996/1997, and renew the contract for the CalTrain-SFO Shuttle with SFO Airporter, Inc. for an additional year at a budget of \$440,000.00.

Commissioner Strunsky noted that current CalTrain Shuttle ridership is at approximately 7,000 rides a month, which means that approximately 100 people a day use the shuttle to ride to and from work. A lot has been said in the past about how Airport employees who live on the Peninsula are the ones most affected by the CalTrain/BART controversy. He thought that this was indicative of the fact that BART's service to the Airport and the way it's currently planned is the right way to access the Airport by rapid transit.

Mr. Martin noted that our figures show that ridership on the BART shuttle bus connection is about four times the level of the CalTrain shuttle bus connection. He recommended continuing this contract for this year, and staff will continue to evaluate whether this makes sense. The cost per incremental transit rider is over \$5.00 per additional rider getting on the transit. There may be more efficient ways of using that money to increase transit ridership.

Commissioner Strunsky asked if only one stop at the Airport.

Mr. Martin responded that it stops at the major employment centers.

16. Modification to Medical Consultant Professional Services Agreement
Lawrence A. Smookler

No. 96-0160

Resolution approving Medical Consultant Professional Services fees of \$130,000.00 and extending term to June 30, 1997.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Commissioner Berman said that there were several requests to address the Commission and asked Mr. Jay Forni to come to the podium. He explained that each speaker had three (3) minutes in which to address the Commission. Further, since this item is not on calendar, the Commission cannot make any comments on the presentation or take a vote.

Mr. Jay Forni, Rios Grading, said that on May 29 he bid on a large utility contract as a subcontractor to Shimmick. Their bid was \$13,500,000; the next bid was \$14,600,000; and the third bid was \$19,000,000.

The bidders were recently told that they were all over the engineer's estimate and the bids would be rejected. He feels that this is unfair. He understood that the engineer's who prepared these bids called all the bidders before the bids were submitted and asked if the estimates were correct. It was his understanding that the engineers were told that the estimates were too low and that they should be raised. They were not. When the bids came in, they were too high. The decision was then made to reject all bids.

Mr. Forni said that this was particularly unfair to small minority contractors because they spend a lot of time and effort to prepare bids. The Commission should look into this matter.

Commissioner Berman called Mr. Philip Shailer who wished to address the Commission on Item No. 2.

Mr. Shailer, Executive Vice President, Alamo Rent-A-Car, said that several weeks ago they scheduled a meeting with Mr. Martin for this afternoon, hoping to discuss some issues that are unique to their company and significant for them. Late Friday afternoon they were faxed a copy of the resolution before the Commission today. If they had had the opportunity, they would have asked the Commission to defer this issue for a while.

Alamo is an on-Airport concessionaire at about two-thirds of its locations and an off-Airport concessionaire at about one-third.

When Alamo began operating at SFO in 1993 the Airport did not have any facilities for them. They nevertheless gave up their 7% off-Airport access fee for the 10% on-Airport fee. Last year Alamo paid the Airport \$4-million in concession fees. At that time they felt it critical to enhance their customer service and their already large investment in their off-Airport facility in Burlingame. Almost \$18-million has been invested in that facility.

The resolution adopted by the Commission this morning says that they have to abandon a good portion of their off-Airport plaza because the Airport will require that non-Airport bidders, as a condition of bidding, must participate in the GTU facility and operate from that site.

He asked the Commission to reconsider its action, or possibly put it off for a couple of weeks. He did not understand the urgency to act at this moment. He will still meet with Mr. Martin to discuss their problems.

Mr. Shailer noted that the monorail that began operating in Neward last week has been a disaster. He is not suggesting that SFO is patterning its monorail after Newark's, but there are some issues that would bear out the concerns mentioned by Commissioner Brooks.

Mr. Simon Ellis, Vice President of Concessions, Hertz Corporation, said that they have had many discussions with Mr. Martin and his staff over the last year. He still has some real concerns about the costs of the new facility and the cost of the ART fee, but the Hertz Corporation strongly endorses the proposal to construct the new facility out at Lot D. They look forward to settling the outstanding differences over the financing of the Lot D facility. They endorse the building of this facility and its link it to the people mover 100%.

V. Marie Davis, owner of A. Airport Meridian Limousine, addressed the Commission on Item No. 13 regarding the changes in the Airport's Rules and Regulations. Ms. Davis took her remarks from a letter she provided to the Commission ... see attachment "A. Airport Meridian".

Mr. John Shimmick, Shimmick Construction, said that he is the apparent low bidder on a utility contract. They have been advised that the bids will be rejected and the contract will be broken up and re-bid. He thought the contract should be awarded and that ground should be broken before next winter comes. The Commission is getting a fair price.

Commissioner Berman said that the speakers comments will be given due consideration.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

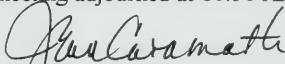
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(C) to confer with legal counsel regarding a settlement of an unlitigated claim entitled CCSF v Ogiso Environmental, Contract No. 2324.

The Airports Commission came out of closed session at 10:30 AM and announced the unanimous adoption of Resolution No. 96-0161 regarding a settlement of an unlitigated claim entitled CCSF v Ogiso Environmental Services and Resolution No. 96-0162 regarding the settlement of an unlitigated claim entitled CCSF v San Mateo County for Property Tax Refunds.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting was recessed at 10:11 AM to go into closed session; the meeting adjourned at 10:30 AM.


Jean Caramatti
Commission Secretary



A. Airport Meridian

Limousine & Tours

June 11, 1996

San Francisco Airports Commission
401 Van Ness Avenue
San Francisco, CA

Dear Commission:

RE: Airport's Discrimination of Limousine Industry;
Airport's Master Plan Will Eliminate Luxury Service
Associated with Limousine Industry

Airport solicitation problems and traffic violations experienced by limousine industry is a direct social effect from Airport's past and continued violation of the Robinson-Putman Act (1936), which is anti-trust legislation banning discrimination with payments and services.

This anti-trust legislation was created to stop antidemocratic concentrations of political power, and create lesser governmental intrusions into the economy and enhances individual freedom by reducing the barriers to entry that confront would-be competitors and assures a broader input into economic decisions that may have important social consequences. Elimination of luxury limousine services at the airport and possible elimination of the limousine industry would "effect interstate commerce" of automobiles, insurance, finance, out-of state-investors and numerous interstate distributors.

Section 2(d) prohibits sellers from making discriminatory payments to competing customers for such services as advertising and promotional activities (Such as Airport Transportation Boards, Airport Signs, Airport Share-A-Ride Ad Program, including airport phone advertising), or such facilities as shelf space (such as free parking, exclusive loading and unloading zones, discriminatory airport traffic fines for limousines), that customers (Airport) furnish in connection with the sale of the goods (transportation services).

Section 2(e) prohibits sellers (Airport) from discriminating in the services that they provide to competing customers (transportation services).

A seller (Airport) may lawfully provide such payments or services only if they are made available to all competing customers (transportation services) on proportionately equal terms.

Section 2(d) and 2(e), like Section 2(c), create a per se liability standard. No proof of probable harm to competition (transportation services) is required for a violation, and no cost justification defense is available.

(page 2 of 4 - Limousine)

The attached transportation service chart clearly outlines the unequal treatment endured by the limousine industry and the social effect of this discrimination is unfair traffic fines and solicitation problems.

Taxis, shuttle busses, busses, courtesy vehicles "all" have exclusive designated pick-up and drop-off areas in the terminal (legal solicitation), as well as free parking in the view lot and parking lot.

Only the limousine industry is deprived the amenities of free parking and exclusive loading and unloading zones where passengers just walk-up. This discrimination creates limousine traffic violations and soliciting that the competition never experiences.

Even the competition's transponder vehicles get 60 trips free per month, while the limousines pay \$2.00 each trip. Under the present system, limousines should get 30 free trips per month.

And many of the limousine rules and regulations, including the Limousine Share-Ride Program (Deletion Approved March 19, 1991) have been deleted from the Airport's Rules and Regulations.

The transportation information on the Transportation Boards are clearly discriminatory. One can see that there 50% space is available on the Upper Level Transportation Boards to list the proposed Hotel/Motel Board Limousine Services' name and white courtesy number, yet Landside Operation will not consider the proposal.

Downstairs Transportation boards meet you at the bottom of the elevator with Upstairs Transportation Boards again, with Downstairs Transportation Boards on the side of the column passengers can not see upon entering baggage claim. It is even confusing for airport employees.

Instead of all Transportation Boards showing Upstairs and Downstairs transportation on same board, all passengers (including passengers with only carry-on luggage) disembarking are instructed to Upper Level Transportation or go downstairs to another board for limousine and rent-a-cars; and then go to yet another Hotel/Motel Board to order limousine service. Some passengers will wait, since they will not figure out the hotel motel/board until they figure out there is no on-site limousine service out of airport. So now passengers have their luggage and are in a panic. You can see it is a ridiculous run around, once you exam what is going on with the signs at the airport:

1-Go downstairs; 2-Transportation Board downstairs tell passenger to go to yet another Hotel/Motel Board; 3-Once at the Hotel/Motel Board passenger is instructed to dial the corresponding number from ten or twelve 10X8 inch colored limousine ads. Still no list.

(page 3 of 4 Limousine)

Also the current parking pass is only feasible for pre-arranged service, but "is not feasible" for efficiently servicing Hotel/Motel Board customers. When airport passenger's call comes into limo service for pick-up, driver leaves (10-15 minutes to SFO); then once at SFO, driver goes into the parking garage on fifth floor and acquires a \$2.00 parking pass (10 minutes); passenger has now waited a minimum of 25 minutes and possible 30 minutes if your service is running top speed, which most services don't. After 15 minutes passengers always call office again to complain about waiting.

Therefore, limousine options and service should be made by passenger prior to baggage claim area. That is why signage and white phone numbers on Upstairs Transportation Boards are so important to save the passengers time and create passenger convenience.

Cabs, vans, busses, shuttles and courtesy vehicles have immediate contact/loading areas for their passengers, which is an unfair advantage over what the Airport offers limousine services. Now that there is no limousine contract, share-ride limousines should now be given the same options as Supershuttle and the other van services. Why would share-ride limousine be discriminated against?

The Airport Limousine Contract protected the airport from much of this discrimination, but now there is a new economic void in private limousine service and share-ride limousine, now that the limousine concession is eliminated.

The S.F. Airport and all transportation services clearly fall under the "effect on interstate commerce," since all transportation vehicles are engaged in interstate loans, vehicles, insurance, out-of-state-investors and the Airport deals with much interstate commerce as well. (McClain v. Real Estate Board of New Orleans, Inc. 444 U.S. 232 (U.S. Sup. Ct. 1980))

Another discriminatory act is that the limousine industry is loosing their tradition of luxury curb-side service just because the vans and taxis lost their center divider (legal solicitation) loading and unloading areas to the proposed light-rail system.

For the Airport to ask all limousines to pick-up passengers in the proposed transportation center will destroy luxury airport service associated with the limousine industry. Limousines should not be required to pick-up their passengers in the proposed transportation center, but curb-side of baggage claim area or upstairs for corporate-luggage-carry-on passengers. Limousine service has traditionally been an industry offering luxury service. Definitions of transportation services and the definition of luxury are on the attached page.

(page 4 of 4 Limousine)

Luxury service is not allowed when your customers must perform seven actions to make contact with the service. Please go through the following scenario and picture a busy corporate executive or your elderly mother or small child doing the following to achieve luxury airport service:

1-Passenger lands and goes downstairs for luggage; 2-Passenger gets luggage downstairs; 3-Passenger looks at Hotel/Motel Board and calls service; 4-Passenger and luggage go upstairs and wait for light-rail; 5-Passenger and luggage get into light rail; 6-Passenger and luggage get off light rail; 7-Passenger and luggage gets into limousine.

Seven actions instead of three:

1-Passenger gets luggage or walks off with carry-on luggage; 2-Passenger calls service from listing on Upstairs or Downstairs Transportation Board or Hotel Motel Board; 3-Passenger walks out curb-side into limousine.

Luxury service is an American capitalist's right and one of the privileges of capitalism is luxury and comfort when you travel.

Ultimately it is not the luxury limousines that congests airport traffic, but: 1- General Public, who often park curbside for hours (unless told to move) or they circle around ten times looking for their passengers; 2 - Taxi and vans trying to enter or exit their designated loading zone in the center island. Center loading zones are often full and approaching taxis and vans try to squeeze into center's curb-side, blocking traffic on only airport exit lane.

In conclusion, please consider the following suggestions:

I suggest that the Master Plan allow private limousine service to remain a luxury curb-side pick-up industry at SFO.

I suggest limousines on Hotel/Motel Board be given transponders and not be required to enter the garage prior to pick-up;

I suggest that the Transportation Boards be divided Upper and Lower Level Transportation on the same boards both upstairs and down, including name and white courtesy phone numbers for limousines.

I suggested discrimination by Airport's payments and services to favored transportation services be stopped or services distributed equally to all transportation competition.

I suggest, even though it is too late, that BART should come-in and go-out of the Airport, passing the Transportation Center, even though it would destroy income for Van, Bus and Taxi services it would be an energy saving benefit to the public.

V. Marie Davis
V. Marie Davis

TRANSPORTATION DEFINITIONS FROM DICTIONARY

- LIMOUSINE- A large luxurious often chauffeur-driven sedan; a large vehicle for transporting passengers to and from an airport. (M/W)
- A large, luxurious automobile with an enclosed passenger compartment. Origination: Limousin, a French province. (American Heritage)
- LUXURY - Something not absolutely necessary that provides comfort and enjoyment. The enjoyment of sumptuous living. Origination: luxus - excess, extravagance. (American Heritage)
- LUXURY - Great ease and comfort. Something desirable but costly or hard to get. Something adding to pleasure or comfort but not absolutely necessary. (Merriam-Webster)
- LUXURY - Indulgence in the pleasures which wealth can procure; that which is not a necessity of life. (Webster's)
- TAXICAB - An automobile that carrier passengers for a fare. From the French taxe, meaning charge + cab. (American Heritage)
- An automobile that carrier passengers for a fare, usually based on the distance traveled (M/W)
- BUS - Short for omnibus, which means relating to, or providing for many things at once), a large motor-driven passenger vehicle (M/W)
- A large motor vehicle for carrying passengers. Short for omnibus. (American Heritage)
- VAN - Enclosed wagon or motortruck for moving goods or animals. A versatile enclosed box-like motor vehicle with side or rear doors and side panels that often have windows. (M/W)
- A covered truck or wagon for transporting goods or livestock, short for caravan (A company of travelers journeying together. A large covered vehicle. (American Heritage)
- SHUTTLE - A vehicle traveling back and forth over a short route (a bus). (M/W)
- A train, bus, or plane making short, frequent trips between two points. To move back and forth by shuttle. (American Heritage)

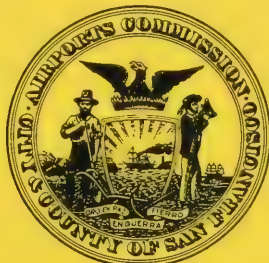
* Please note that LIMOUSINE is the "only" definition that relates to "airports" or "luxury" transportation.

AIRPORT TRANSPORTATION CHART

SF AIRPORT TRANSPOR- TATION TYPE	SF AIRPORT TRANSPOR- TATION SIGNAGE UPSTAIRS	SF AIRPORT TRANSPOR- TATION SIGNAGE DOWNSTAIRS	SF AIRPORT EXCLUSIVE DESIGNATED PASSENGER LOADING	SF AIRPORT EXCLUSIVE DESIGNATED PASSENGER UNLOADING	F R E E	P A I D	T R A N S P O R T A T I O N	P U C L I C E S E	H O T E L
PRIVATE LIMO	NO	NO	NO	NO	N	\$ 2	N	Y	Y
SHAR-RIDE LIMO	NO	NO	NO	NO	N	2	N	Y	Y
TAXI	YES	YES	YES	YES	?	0	?	N	N
SHARE-RIDE SUPERSHUTEL DOOR-DOOR	YES	YES	YES	YES	Y	0	1	Y	N
SCHEDULED BUS/VANS	YES	YES	YES	YES	Y	0	1	Y	N
CHARTERED BUS/VANS	YES	YES	YES	YES	Y	0	1	Y	N
HOTEL/MOTEL COMPLIMENT	YES	YES	YES	YES	Y	0	1	Y	Y
PRIVATE CAR	NO	NO	NO	NO	N	0	0	N	N

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 25, 1996

* SPECIAL MEETING

9:00 A.M.

* ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission Special Meeting
June 25, 1996

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AIRPORTS COMMISSION

JUNE 25, 1996

Special Meeting

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Henry E. Berman, President
Marie K. Brooks, Vice President
Michael S. Strunsky
Roland A. Quan

Absent: Larry Mazzola

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of June 11, 1996 were adopted by order of the Commission President.

No. 96-0163

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution Nos. 96-0161 regarding the settlement of a claim entitled CCSF v Ogiso Environmental; and no. 96-0162 regarding the settlement of a claim entitled CCSF v San Mateo County for Property Tax Refunds at the closed session of June 11, 1996.

* * *

E. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. BART Funding Agreement for \$11-million

for BART to fund an additional \$11-million to complete a design option to the Airport Master Plan to accommodate the Alternative VI aerial design option, Concourse H.

Mr. John Martin, Director of Airports said that this agreement is for BART to provide \$11-million to the Airport for design work related to BART's on-Airport portion. This is not a loan. If the Airport does not enter into an agreement with BART to provide up to \$200-million we would not be obligated to repay the \$11-million. Assuming that we do enter into an agreement to spend \$200-million for that construction work, we will repay BART.

This is a useful agreement in helping us to keep the design work on track both in relation to our own Master Plan project as well as to BART's work.

Commissioner Strunsky said that he attended the BART Board meeting last week and supported BART's approval. He said that this was an important step for this Commission and he hoped everyone would treat it seriously. This moves us one step closer to getting our rapid transit system right to the International building.

Commissioner Berman thought it was a momentous occasion. Many people have labored long and hard to reach this point and they are all to be congratulated. He commended everyone involved.

* * *

F. DIRECTOR'S REPORTS:

2. Report on the Joint Powers Board ART/CalTrain Connection - Oral Report

Mr. Martin explained that in May the Joint Powers Board (JPB) submitted recommendations for Alternative 3B and Alternative 5 for an Airport rail transit connection to CalTrain. Airport staff has evaluated those alternatives based upon the systems effectiveness for the Airport, capital operating and financing costs, the impacts on our rail design and other impacts and legal consideration. Our review has found that there are some fundamental errors in the forecast prepared by the JPB. They assume that all CalTrain riders coming to the Airport would use an ART connection and that no one would use the BART connection from the Millbrae station. We think that we need to meet and study that further with the JPB to review their assumptions. He expects that some revisions would be made to their projections as a result.

The incremental ridership for transit from either of these alternatives is fairly minimal ... only a .2% increase in transit ridership resulting from providing this connection according to the projections prepared by the JPB. The incremental cost per transit rider is fairly high, ranging from \$4.00 to \$7.00.

There are also serious legal considerations. We face major legal obstacles with Alternative 5 which would take our Airport rail transit system to the West of Bayshore. The Lease and Use Agreement prohibits spending funds on the West of Bayshore unless all of the Lease and Use Agreement signatories were to agree to a modification of the agreement.

Alternative 5 also faces serious legal restrictions imposed by the Federal Government on the use of funds off Airport property.

We discovered from the study that there is a relatively strong market that may not be adequately served. There are over 10,000 United employees, for example, working in the United Maintenance Center and some form of direct connection to a CalTrain station may be worth pursuing for that group because they will not be well served by the BART connection from CalTrain.

His recommendation is to continue to work with the JPB on the projections. We would be well advised to see what happens with respect to the BART full funding agreement which is expected to be given to BART in August or September from the Department of Transportation. Assuming that is approved, it would ultimately effect the direction the Commission might wish to take relative to providing a convenient connection to CalTrain in addition to the BART connection.

Commissioner Berman asked if meetings were scheduled with the JPB.

Mr. Martin responded that there has been on-going dialogue with the staff and a formal meeting will be set to review the ridership projections.

Commissioner Strunsky commended staff for a very thorough analysis. It has pointed out a lot of things, but the ridership projections and the assumptions made by the JPB are questionable. It is also questionable if a new station for CalTrain in the San Bruno Avenue area makes any sense.

He thought an alternative should be considered regarding an ART extension as quickly as possible to the United Maintenance Center so that our existing system which would end at Lot D could be extended quickly. That work would have to be done under any circumstances with or without Alternative 3. It is clearly mandated by the overall Airport expansion.

Commissioner Berman asked if Commissioner Strunsky's suggestions were part of the on-going discussion.

Mr. Martin responded that they were. We are planning to extend the Light Rail to the United Maintenance Center and beyond in the long term. We are looking at doing that first extension around the 2002 to 2004 time period and then do a third piece around to the North Field Cargo area at a later date.

Mr. Alexander Nash, Project Manager for the Joint Powers Board on the CalTrain/ALRS Study. He said that they assumed that people would transfer from CalTrain to ART to get to the Airport. Mr. Nash said that 5,000 more people would take CalTrain if there was a direct connection between the ART and CalTrain and there will be 10,000 people who will take CalTrain who are going to the Airport.

This is an very complicated process. We also need to address the question of how many people this would take off the road. While .02% looks like a very small number of people, it's fairly

typical for these types of projects. If you go back and look at the BART project, that was about .35% or .4% so it's not out of the ballpark.

He said that we need to build a temporary station at the very least at the San Bruno location in order to allow BART to go through. One of the benefits of this project would be to build a permanent station at San Bruno to reduce the cost of the BART project and have a station that would serve the City of San Bruno a little better.

He said that they are looking forward to working with the Airport on the project.

Mr. James Hass, speaking on behalf of SPUR, said that SPUR supports regional transit in all respects. SPUR believes that in order to succeed in getting people out of automobiles you need as many modes as possible and the connection between the Airport and CalTrain is an important ingredient. SPUR feels that a lot of the modeling that goes on has reached the point that it doesn't reflect human activity. For instance, it has been San Mateo County's position that they don't like transfers. That was one of the issues with regard to the Muni Metro connection and CalTrain at Fourth and Townsend. San Mateo and Santa Clara Counties flatly refused to support it and demanded an extension downtown.

We need to take into account that people aren't going to be interested in transferring two or three times to take public transit to the Airport. We need to provide as many mechanisms as possible to accommodate their desires.

Mr. Hass said that Mr. Dick White, BART General Manager, addressed SPUR recently and said that a variety of transit opportunities is necessary to get people out of their cars. He supported both the BART into the Airport plan as well as the direct connection between the Airport's rapid transit system and CalTrain. He hoped that the Commission would take a similar view and support these options.

He was taken aback by the Director's recommendation that nothing be done with regard to pursuing the CalTrain alternative until the BART full funding agreement is in place. He did not think that that has anything to do with the merits of the direct connection. He said that Mr. White felt that BART could only serve a portion of the potential transit market and we need other means as well.

He hoped staff would be directed to work with the JPB and resolve some of these technical matters and in the near future prepare an EIR that will be needed as part of the continuing study to implement this scheme. He did not feel that the legal issues were insurmountable.

He said that it was unfortunate the JPB and the Airports Commission have never sat down in a personal relationship. He hoped that that would happen in the future.

Dr. Nancy Jewel Cross, Clean Air Transport Systems, a grass roots project sponsor of the CalTrain Airport station, believed that the true issue regarding transfers is the distance a passenger has to walk rather than the idea of getting off of one train and onto another. People want the CalTrain Airport station right across from the main entrance.

Dr. Cross believed that there should be an automated bicycle garage at the new CalTrain Airport station. Many Airport employees live close enough to the Airport to ride a bicycle. Both CalTrain and buses accommodate bicycles. The amount of traffic can be decreased by providing a state of the art bicycle garage.

Mr. Martin said that since Dr. Cross has exceeded her three minutes he asked her to submit a written statement in order to allow time for other speakers to address the Commission.

Dr. Cross concluded her remarks by indicating the City of Menlo Park's support for a bicycle garage. She said that Japan provides such an accommodation.

Commissioner Berman asked if the information provided by Dr. Cross was part of JPB's consideration.

Mr. Martin assured Commissioner Berman that he will speak with Dr. Cross during the planning efforts.

Mr. Jon Twitchell, representing COST (Coalition for a One Stop Terminal) said that they have been involved in pursuing a CalTrain/ALRS connection. He said that it makes much more sense to look at transit as a both/and rather than an either/or. BART would provide excellent service from North of the Airport but the majority of Airport employees live South of the Airport and need a direct transit connection as well.

He urged the Commission to move ahead independently and look at the CalTrain connection.

Ms. Irene O'Connell, Vice Mayor of San Bruno said that San Bruno supports Alternative 3B. They have great concerns about safety and emergency access for Alternative 5.

Mr. Arthur Lloyd, member of the Joint Powers Board, said that he has been a regular commuter on CalTrain for over 40 years. The JPB supports either Alternative 3B or 5. He asked for the Commission's cooperation and help. They feel that a direct transfer for their patrons, especially the 2/3s of the Airport employees who live South of the Airport and use CalTrain and the van connection.

He said that if you require passengers to make a transfer you will lose 50% of your potential. If you require them to make two transfers you will lose far more than 50% and you won't reach your objective of getting cars off the road. He urged the Commission to consider the transfer between CalTrain and the Airport on the ART. He said that anyone going on an extensive trip will be dropped off by a friend or relative. This system accommodates business travelers.

He thanked the Commission for its support and offered the assistance of the JPB staff.

Commissioner Berman thanked Mr. Twitchell for his time and his comments. He said that he was very impressed.

Mr. Martin said that staff will continue to work with the JPB staff and will continue to enjoy a

good working relationship. It is the Commission's policy for transit first and that includes maximizing connections to as many transit alternatives as possible. This is not a BART versus CalTrain issue.

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G. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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H. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 4 and 6 and 7 were adopted unanimously. Item No. 5 was put over to the July 2 meeting.

3. Award of Professional Services Contract No. 5828A - Emergency Response Facilities Nos. 1 and 3 - Joseph Chow & Associates

No. 96-0165 Resolution awarding Professional Services Contract 5828A, Emergency Response Facilities No. 1 and 3, to Joseph Chow & Assoc. in the amount of \$400,000 to provide auto cad drafting, accoustical engineering, construction management.

Commissioner Strunsky asked what happened to the TWA cargo remodel. He thought that was where some of the staff was going to go.

Mr. Wong responded that the original temporary facility was going to be in Pan Am and TWA but has been moved to Emergency Response Facility No. 3.

Mr. Martin responded that given the condition of that building it didn't make sense to attempt to remodel the TWA building.

4. Reject All Bids and Authorize Re-bid - Contract No. 3646 - Temporary Emergency Response Facility No. 3

No. 96-0166

Mr. Wong explained that before Emergency Response Facility No. 3 goes into service we need a temporary facility to serve Boarding Area A.

Two bids were received on May 31, both of which were over budget.

Commissioner Strunsky asked if we understand why the bids came in high and if we know what will be pulled out.

Mr. Wong responded that the majority of the work is prefab trailers and the market has changed substantially.

Mr. Martin said that these facilities have been downsized in order to bring it in under budget.

5. Reject All Bids and Authorize Re-bid - Contract No. 5601G - Utility Relocations - Phase V

Mr. Martin explained that the bids came in \$3-million or about 30% over the budget. Historically, Commission practice has been that if bids come in more than 7-1/2% over budget contingency all bids are rejected and staff is directed to develop alternative plans to bring the work within budget.

Mr. Bordegaray explained that the Commission authorized a bid call for this contract bid on April 18. Three bids were received on May 29. All of the bids came in over the engineer's estimate of \$10.5-million.

The bids were divided into two elements, the base bid and alternates. The base bid portion of the contract came in pretty much on target. The alternates were high and were quite varied among the bidders.

The engineers who estimated the project used the previous three utility relocation contracts to develop the estimate for this contract and therefore felt very confident that the numbers that they were using were accurate and that they reflected the bid market for this type of work.

We questioned the validity of the estimate and why the bids were so erradict on the alternates. Because the estimators used the previous three contracts as a basis for this estimate, we felt that the estimate was fairly valid. Some of the items on the alternate portion which were put into the bid by the contractors were items which we did not assume in our estimating. Those items were earmarked as risk factors such as working in a congested area, work stoppages due to operational issues, and hazardous material clean-up and are unforeseeable. These bids accommodate those unforeseen conditions that happen during the course of construction.

Another factor was the limited number of bidders on this contract and the fact that all of the bidders currently have Airport contracts.

We are recommending rejecting bids for two reasons ... the number was an estimate, and, we feel that this contract can be repackaged. There were three elements to this contract but only one is time critical. We want to divide the project up into three different areas.

He noted that there was a reference to the fact that the Commission awarded a contract that was over the engineer's estimate. That particular contract is 5601E, Utilities Relocation, Phase III, was originally estimated at approximately \$8-million. We added to the estimate and to the scope of the work that was approved by the Airport's Change Control Committee, and revised the estimate. The bid for that contract came in at \$18.8-million.

Contract No. 5601G was estimated at approximately \$10.5-million; the bids came in at \$13.5-million. The base bid portion is very close to being on target, but the alternates vary considerably.

The way we're going to repackage this contract is there is an electrical and phone duct bank which goes to the International Terminal footprint. This is the most critical piece because of the pile driving, the utility relocations in that same site and material clean-up. This element is the most time critical. We would like to negotiate a change order with the contractor for the International Terminal. We know what the numbers should be for that work. Previous negotiations with the contractor identified a \$2.2-million estimate for that change order, and the bids came in for this identical work indicate that that is a true figure. We will negotiate that change order with the contractor. That eliminates the need for another contractor in that site, it makes for easier coordination of that work and gets the contract done fairly quickly.

The second element is the work at United. Since it's not time critical and we will separate that utility work out of this contract and put it into another contract which bids in July. There will probably be some redesign and value engineering to bring down the cost.

Finally, the Road R2 utilities is under bid right now for widening. An addendum will be made to that contract, adding the utility relocations associated with that roadway to that contract. It will be bid on July 18, thereby getting another competitive bid for that same work.

Based on our recommendation I would like to re-bid a portion of that contract, negotiate a portion of it and include it in another contract and reject the bids that came in for 5601G.

Commissioner Berman said that he has great sympathy for contractors that go out and give it their best effort and the low bidder doesn't get the contract, however, we have to safeguard our resources and make sure that on a project as big as this that we get what we're asking and at a reasonable price. He asked if the consultant used the same risk factors that were indicated as reasons the alternates were so much higher than the consultants estimate.

Mr. Bordegaray explained that the estimator used risk factors similar to what they used previously, but there were two additional factors which may not have been taken into account. First, there would be a limited number of bidders and all of those bidders working on the site realize the critical nature of this work and they built in numbers for it. Second, having done work at the Airport they may have included a sum to cover delays caused by work stoppages. Safeguards are often added to cover unforeseen conditions. Those items are probably over-inflated.

Commissioner Berman noted that our consultants total was \$10-million and the low bid was \$13-million, a disparity of about 30% which is way above the norm.

Commissioner Strunsky asked Mr. Bordegaray if he was proposing to negotiate an addition to Contract No. 5500B.

Mr. Bordegaray responded that he was.

Commissioner Strunsky asked if that scope of work was included in the contract that was just bid.

Mr. Michael Lane, Project Manager, responded that it is included in Alternate 1A and 1B.

Commissioner Quan asked if he was correct in saying that the consultant recommended a budget of about \$800,000.00, we have a bid for \$2.4-million and you're going to negotiate the difference?

Mr. Lane responded that we are recommending negotiating \$2.3-million. We believe that our consultant's estimate was low on items 1A and 1B. We feel the discrepancy is in Items 2A and 3A on the bids received.

Commissioner Quan said that \$2.3-million is very similar to the bids received.

Mr. Lane agreed.

Commissioner Berman asked how low the consultant's estimate was in staff's estimation.

Mr. Lane responded that it's approximately at \$800,000.00.

Mr. Martin asked Commissioner Berman if he was speaking against the full \$10.5-million.

Mr. Lane responded that over all it was about \$1.2-million.

Commissioner Berman asked with whom will staff negotiate?

Mr. Lane responded that staff will negotiate with Dillingham.

Commissioner Quan asked what savings will be achieved by negotiating.

Mr. Lane responded that savings would be realized in Items 2A and 3A. Those items will be repackaged and put out to bid. We expect to achieve a savings in rebidding the base work which is the \$3.7-million number because there were some milestones and constraints. Because there were also milestones tying that work into the International Terminal that we don't need to do, we would expect to see a savings in the base bid. We expect to see a savings in Item A2A and A3A, which should bring us down to a \$1.5-million savings.

Commissioner Quan noted that a \$1.5-million savings will leave us over budget by approximately \$1.5-million.

Mr. Lane pointed out that we have had a team of engineers and construction managers working on these utility projects for over a year and approximately \$40-million worth of work has been awarded, which is roughly about 10% of the engineer's estimate to date. Overall, we are pretty much on track with this work and we plan on continuing. A lot of work is being done in a very condensed period. He commended the work of the engineers and construction managers on this project.

Mr. Martin added that all of the engineers involved in this project ... the firms of Brown and Caldwell as well as O'Brien Kreitzberg, Parsons, and Jason Yuen agree with the approach presented by Gene Bordegaray.

Commissioner Strunsky said that he does not have a problem with the direction but he is not convinced that the work to be negotiated is worth \$2.4-million. The second low bidder appears to have bid \$1.4-million for that work; our original estimate was \$1-million. He is troubled with the gap between those items suddenly jumping. The second low bidder clearly saw it. He wondered if this isn't a documents problem and perhaps we should look to bid with a clarified set of documents.

Mr. Lane responded that the issue with that item is the shoring of the work. We believe that the second low bid, at \$200,000.00, was inadequate to shore that work.

Mr. Martin noted that it should be made clear that these are required alternates that were factored in to the entire determination of the low bidder.

Commissioner Strunsky asked if any consideration has been given to doing this under a forced cap? Is it legal?

Mr. Lane responded that it is legal and it has been taken into consideration. Our recommendation would be to negotiate it as a lump sum.

Commissioner Brooks said that she was still having a big problem reconciling the figures, reconciling separating it, and renegotiating with an existing contractor rather than going out to bid on that particular portion.

Mr. Bordegaray responded that we know what the consultant's estimate was and we know what the bids are. We are going to redefine the scope, make sure that it's clear and reassess the value of the work. It is clear from the bids that is a variance in there that needs to be discussed and agreed upon. If we cannot agree upon what we feel is a fair price for that work, then we will go to a forced account situation where it will be done by time and materials and monitored to insure that the work paid for is the work done and that there is no question as to what the numbers in the renegotiated amount represent.

Commissioner Brooks asked with which firm will staff negotiate.

Mr. Bordegaray responded Kulchin Condon.

Commissioner Quan noted that they were the third bidder.

Commissioner Brooks asked what work were they currently doing for us.

Mr. Lane responded that they are doing pile caps and foundations.

Mr. Bordegaray added that they are not doing the pile installation, but the second phase in which they place pile caps and foundations.

Commissioner Berman asked if there have been negotiations with Shimmick.

Mr. Bordegaray responded no. We do not have a contract with Shimmick at this time. We can only negotiate with current contractors for a change order.

Mr. Charlie Walker, representing African American contractors, said that Shimmick is one of three contractors in this City that have African American friends Tutor-Saliba, Shimmick and Amoroso.

Just a few weeks ago items were added and other were deleted from a contract. This morning we hear that a contract went out to bid for \$8-million but was awarded for \$18-million. That's over a 100% difference.

The first major contract that we were involved in was with Tutor-Saliba; the second contract we were involved in was this contract with Shimmick.

There is something wrong with the way this is being done and there is a recommendation to rebid this contract and then negotiate some of this contract with another firm

He has talked to the Mayor's staff about this and has asked Mr. Martin not to put this item on the agenda and to negotiate with Shimmick. There is no reason not to award this contract as it is. This is excluding us. We don't know the ins and outs of it but Mr. Robinson of the Mayor's Office asked that this item not be calendared so that the Mayor's Office and other parties would have the opportunity to investigate it.

This contract should be awarded to Shimmick. It was bid in good faith. He represents 80% of all African American contractors in the Bay Area. This has gone on repeatedly. Certain contractors find reasons to keep them out. Whether you like to hear this or not, these are the facts.

The contractor currently at the Airport shouldn't be allowed to negotiate any of this contract. The contract went out to bid and it was bid in good faith.

Mr. Walker said that he thought that they were being treated very unfair and so was Shimmick. The Airport either needs new engineers or an outside firm to review this whole thing. There is more to this than meets the eye and Shimmick should not be penalized and neither should our truckers or our contractors. There is the largest participation of minorities on this job and the Tutor-Saliba job than we have ever had before. He is tired of fighting. Every time they make one inch somebody pushes us back ten.

Mr. Jay Forni, Rios Construction, reminded the Commission that he appeared before the Commission two weeks ago regarding this contract. He believes that staff should negotiate with Shimmick and do value engineering. He thinks their bid will be fairly close once value engineering is done.

With reference to the problem of scheduling and delays, another contractor coming in would need the same amount of lag time as anybody else. Money will not be saved by doing this.

Staff should negotiate with Shimmick.

Mr. John Shimmick, Shimmick Construction, said that there are three aspects to consider. You need a fair price and you need the work done. There is nothing in this contract that can be eliminated. You can downsize some ductbanks from 7x2 to 5x2, but down the road you are going to need more ductbanks.

Time is also an issue. This contract is the result of the addition of the footprint for a portion of the CalTrans ramps at the United Airlines area and the footprint for the footings for the Light Rail System.

Three bids were submitted for this contract ... \$13.5, \$14.6 and \$19.2. All three bids were accompanied by bid bonds. The engineer's estimate was \$10.5 but a \$1-million error in the estimate has already been acknowledged. Staff wants to repack the contract and spend more money in fees rather than just award the contract.

The timing is such in utilities work that if you run into unforeseen obstacles you sometimes have to shut down a week and redesign for removal.

Another problem could arise if the work requires excavating or trenching and it rains. It could take weeks to pump out the water.

He asked the Commission to consider his comments and award to Shimmick.

Mr. Derreck Smith, Marinship Construction, said that the Airport engineers knew the day before the bid that their estimate was low and they acknowledged that fact today. The fact that there were three bidders for this contract but on the previous \$18-million bid there were only two bidders indicates that there was a good response to this bid solicitation.

You don't save time or money by repackaging and redesigning. The risk factors that were addressed don't go away.

Staff wants to negotiate with Kulchin-Condon for a piece of the contract estimated at \$2.2-million; Kulchin-Condon's price was \$3-million. Kulchin-Condon won't reduce their price by \$800,000.00.

Mr. Mike Standberg, Shimmick Construction, said that the objective is to come up with as low a number as possible prior to the bid. Contractors don't add safeguards to their bids as Mr. Bordegaray suggested. Shimmick has always been treated fairly on previous Airport contracts. They have no qualms about asking for extras.

Engineers traditionally look at these jobs as a unit price ... so many valves and feet of pipe at so many dollars a foot. A contractor has to deal with factors that are not traditional in any sense of the word. Shimmick's bid has to be looked at as a total. It can't be broken down into pieces, i.e. the International Terminal, the United Airlines area, or R-2.

Commissioner Berman agreed that this is a dilemma. Consultants are not infallible.

Contractors are not infalible. Somewhere between them there should be a reasonable ground. He is not impressed by taking a contract that was put out in good faith, rescinding it and then packaging it in a different manner so that it doesn't resemble anything like the original contract.

We have a number of alternatives facing us. We can vote to accept the contract as it is, we can vote to turn it down, we can vote to delay action on it to our next meeting. Our next meeting is not until July 23, which is an inordinate amount of time. We have a rule of thumb of 7-1/2 or 8%. It's not an infalible situation when there are all kinds of opportunities for human error.

Commissioner Brooks understood that we can't negotiate with Shimmick because they don't have a contract with us, but if we have found we were in error and we award to Shimmick could we then negotiate?

Ms. Mara Rosales, Airports General Counsel explained that under the competitive bidding process, there can be no negotiation once the job is advertised and the bids are in.

Commissioner Strunsky said that as he understood it, Shimmick is the low bidder on the base bid of \$6.6-million, and then there are a series of alternates. Although he was put off by the last speaker from Shimmick who indicated that it was an all or nothing situation, Shimmick has supplied some breakdown of their alternates that would indicate to him that their price for the two particular areas is about the same as the Airport would hope to negotiate with another contractor and that the other items might be deleted from Shimmick's contract because they are alternates.

If this is going to move ahead it will take the cooperation of everyone involved. It appears that the underrun in the engineer's estimate is in the two items to be negotiated and that the other items should come out about right. He wondered if some of the work covered in the alternates could be redesigned and reanalyzed if Shimmick received the award.

Mr. Martin said that if it is the Commission's desire to pursue these questions further before taking action we can try to find a meeting date before the next scheduled meeting of July 23.

Commissioner Brooks asked how the delay would change anything. These figures can't be changed by the next meeting.

Commissioner Strunsky said that we could award the contract and delete items A2.A, A3.A and A3.B. We would basically be in the same position at these numbers and Shimmick would have the base job less those other items that we could then do with as we wanted.

Mr. Martin cautioned the need to be careful about the level of details. We can't legally negotiate with the contractor until after the contract has been awarded.

Ms. Rosales added that these items were bid as a package and everyone bid that way.

Mr. Martin recommended putting the item over for a week in order to answer all of the

Commission's questions in detail.

Commissioner Brooks moved to award the contract to Shimmick but failed to get a second.

Commissioner Quan motioned that this item be put over to July 2. The motion was seconded and carried by a 3 to 1 vote with Commissioner Brooks casting the dissenting vote.

Commissioner Berman announced that the Commission will meet again on Tuesday, July 2 at 9:00 AM.

6. Modification No. 6 - Legal Services Agreement - Orrick, Herrington & Sutcliffe/Pamela S. Jue

No. 96-0167 Resolution approving Modification No. 6 to Professional Legal Services Contract with Orrick, Herrington & Sutcliffe and Pamela S. Jue, jointly as bond counsel to extend term of contract thru June 30, 1997; and increase compensation by \$600,000.00 for services rendered in connection with a) Bond said that the Commission received a memo from the Director d Issues 10, 11, b) Fueling system financing, c) Rental car financing, d) Infrastructure bond issue, e) Master Plan bond issue; and, (3) Update contract consistent with standard City contracting procedures.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that this contract is being extended for one year and the contract amount is being increased by \$600,000.00. This modification will carry us through the next three or four bond issues. He expects to return to the Commission in 1997 for additional action regarding bond counsel.

Mr. Martin explained that this will match the term of the Airport's financial advisors and bond feasibility consultant's contract.

Commissioner Berman asked how many millions of dollars in bonds this will cover.

Mr. Martin responded that we will sell in excess of \$400-million in bonds during this period.

7. Modification No. 2 to Contract No. 5503 - Geotechnical Engineering Services for International Terminal Complex - PSC Associates, Inc.

No. 96-0168 Resolution approving Modification No. 2 to Professional Service Contract 5503, Geotechnical Engineering Services, New International Terminal Complex, with PSC Assoc. Inc. to increase Additional Services budget by \$745,000.

Mr. Bordegaray explained that this contract provides monitoring services for pile driving for the International Terminal. The Commission received a memo from the Director outlining

delays being incurred in the International Terminal pile driving process. Those delays were the result of unknown utilities, hazardous materials in the soil and a dense sand lens layer. The contractor came up with a plan which included pre-drilling a number of piles, adding pile driving rigs to the contract and revising the timing. These changes resulted in how we monitor pile driving and necessitated adding to the workforce of the Geotechnical Services Contract.

This contract modification adds staff to monitor the work so that the pile recovery plan can be implemented.

Commissioner Strunsky noted that we are encountering problem after problem after problem that is "unforeseen." We just discussed a contract that's \$3-million over the estimate and we're talking about \$750,000.00 here. A recent analysis by the Director on the progress of the International Terminal piling shows overruns of at least \$2.335-million. He is sensing a beginning of a problem on this project. The Commission has dealt with nothing but overruns, unforeseen items and added engineering fees. This particular extension may be necessary at this point but it has got to be brought under control.

Commissioner Berman said that while his concern may or may not be shared by other members of the Commission, it is something to be heeded. He has a great deal of respect and admiration for the qualifications of staff, but there are many other factors involved beyond our knowledge and our control. We don't want this to become a financial fiasco that would embarrass the Airport, the Commission, or the Mayor. Commissioner Strunsky's words of caution should be heeded.

Mr. Martin said that he believes that we are addressing the cost and schedule issues through the Master Plan Advisory Board. He will present to the Commission the final baseline schedule and budget next month. He expects it to show dollar increases but he also expects to be able to stand behind those numbers.

Commissioner Strunsky's comments are accurate with respect to certain areas where there have been overruns. However, when we had problems with our steel contract for example, we rejected all bids, we had the architect redesign the facility and it then came in under the estimate. Boarding Area G was brought in \$5-million under the \$70-million budget. There are many areas of success.

Our success with this program will not be because we don't have problems, it will be because we face up to the problems and we deal with them on a straightforward basis in order to move on with the program.

Commissioner Berman felt reassured by Mr. Martin's assurance.

Commissioner Brooks noted that the pile driving is a fairly simple process and why didn't we know about the dense layers of sand.

Mr. Bordegaray responded that we knew that there was a sand lens layer there and we tested to try and determine where it was but the testing was not extensive enough to determine the magnitude of the problem.

The other elements of unforeseen utilities and hazmat material can also be predicted to an extend, however, until the area is uncovered we don't truly know what we are looking at.

Commissioner Strunsky said that he doesn't have a real argument with the pile problem. He was surprised at the Director's comprehensive memo regarding the progress report on the International Terminal piles and the overrun identified in the report. The Commission was presented with a shortfall in the pile contract of \$2.335-million and another one for \$745,000.00, also related to the pile contract problem.

Mr. Martin thanked Commissioner Strunsky for his comments.

Commissioner Quan said that he appreciated staff for bringing these problems to the Commission's attention. The Commission has to bear in mind that any construction project has positive and negative things that happen.

He is looking for staff and the consultants to give their best efforts; to consider this their project. Mistakes happen. While he looks at this from a more positive aspect. He is concerned about the problems he realizes that they are natural to any construction project and wants to keep them in perspective. He would be surprised if we didn't have any problems.

Mr. Bordegaray commented that he has complete confidence in the consultant teams and staff. We are trying to double the size of the Airport within the existing footprint and problems are to be expected. Not all of the problems can be foreseen.

We could probably throw a lot of money at these problems but we would be chastised for doing that. We try to identify the problems as best as we can with the information we have. The consultants have been doing a good job in assisting us in that regard. Unfortunately, the problems are not as well documented.

We are taking measures to take more care in identifying problems, to make some assumptions on what we may encounter and advise the Commission. He defended where we are now and in having done the best job we could with the information we had.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 8 through 11 were adopted unanimously.

8. Award Professional Services Contract 5602.1 - Design Employee Parking Facility #3, Plot 7 and Approve Construction Budget - Walker Parking Consultants/Engineers, Inc. in Association with Kwan Henmi Architecture/Planning, Inc.

No. 96-0169

Resolution awarding Professional Services Contract 5602.1, for design of Employee Parking Facility #3, Plot 7 to Walker Parking Consultants/Engineers, Inc., in association with Kwan Henmi Architecture/Planning, Inc. and approving the

construction budget for the project.

Amount of Professional Services Contract:	\$962,390.00
Construction Budget Amount:	\$18,000,000.00

Mr. Bordegaray said that the Commission approved the selection of this consultant in December, 1995. Since that time approval for this project was obtained from the airlines and staff developed and negotiated a professional services contract.

The fee for the basic services portion of the contract is approximately 5%. The construction cost is estimated at \$18-million. Our comparison in cost per stall amounts to \$11,250.00 per stall; there are 1,600 stalls in this parking structure.

The MBE/WBE goals were set at 17% and 5% respectively and were exceeded with figures of 20% MBE and 10% WBE.

Commissioner Berman understood that the parking fees would ultimately pay for garage.

Mr. Martin said that a fee will be charged to employees or to tenants that pay for employee parking to ensure full cost recovery.

The meeting recessed at 9:50 AM for a 10 minute break and reconvened at 11:00 AM.

9. Award Lease for Phone Card Vending Machines in the Airport Pursuant to the San Francisco Affinity Phone Card Program

No. 96-0170

Resolution awarding the lease for phone card vending machines in the Airport pursuant to the San Francisco Affinity Phone Card Program to Winston Taylor, Inc.

Mr. Spencer Ballard, Deputy Director for Business and Finance explained that some time ago the City began a solicitation process to secure a phone card vending program for the City. The program also included authorization to install machines at the Airport. A separate lease is required for Airport outlets. Some 27 locations have been identified for installation, subject to review and approval by the Airport's Design Review Committee. The Airport will receive a 10% commission on the sales from the machines.

Commissioner Berman asked if we are tied into this in the event it is unsuccessful.

Mr. Ballard responded that this lease is for 30 months with three options of two years each at the Commission's discretion.

Commissioner Berman asked if these machines can be removed at the end of the contract and will it be the contractors responsibility to make any necessary repairs as a result of removing the machines.

Mr. Ballard responded yes.

10. Authorize a Six Month Trial for Installation of Kiosks Providing Internet and E-mail Access

No. 96-0171

Resolution authorizing a six-month trial for installation of kiosks providing Internet and E-mail access by Quick ATM, Inc.

Mr. Ballard explained that these ATM kiosks will be installed for a period of six months. Quick ATM will provide electronic Internet access. During the six month trial the effectiveness of the program and customer acceptance will be evaluated. If the service is deemed to be acceptable then staff will return to the Commission with a request for proposals.

Commissioner Brooks asked if we didn't already have something similar to this.

Mr. Ballard responded that we have some electronic information machines that are similar to these.

Commissioner Strunsky asked if those machines were provided by Quick ATM as well.

Ms. Janice Gendreau, Landside Operations responded that we have a subcontract with Quick ATM for the information booth program. This information has been put on the Internet. These machines will access other airports for information through our kiosks.

Commissioner Strunsky asked how this will make money.

Mr. Ballard responded that there is a charge to access to the Internet.

Mr. Clifford Orloff, Quick ATM invited the Commission to try this service.

11. Authorization for Pre-bid Conference - North Terminal Apparel Lease

No. 96-0172

Mr. Ballard said that very soon we will have control of space on Boarding Area F, across from The Body Shop, currently operated by United Airlines. Staff is looking to establish a retail outlet for apparel. A pre-bid conference will allow us the opportunity to evaluate the criteria and make sure that it will be workable for the industry.

Commissioner Berman had hopes that this will be very productive.

Commissioner Brooks noted that 75% of the apparel must be manufactured under lessees label and asked if that isn't limiting the field.

Mr. Ballard responded that it is. We are looking for internationally recognized names. This

concept is very popular in airports today.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 12 through 19 were adopted unanimously.

Consent Items Relating to Administration, Operations & Maintenance:

12. Bid Call - Contract No. 5900B - Surface Roadway Realignment

No. 96-0173

Resolution approving the scope, budget and schedule and authorizing the bid call for Contract No. 5900B, Surface Roadway Realignment.

Commissioner Strunsky noted that a purchase contract was already let for steel piles. He asked why we were doing steel piles there and concrete piles everywhere else.

Mr. Bordegaray responded that it is a design issue.

Mr. George Gipe, Holmes and Narver, Construction Managers for the Elevated Circulation Roads and Freeway Ramps said that we are using steel piles because of the constraints on the foundation side. Steel piles permit a smaller foundation cavity.

13. Approve Contract Option No. 1 - Airport Information Booth Program - Polaris Research and Development, Inc.

No. 96-0174

Resolution approving Option No. 1 to contract with Polaris Research and Development, Inc. for operation of Airport Information Booth Program for an additional year effective October 15, 1996 through October 14, 1997.

14. Award of Professional Services Contract with the Law Firm of O'Melveny & Myers

No. 96-0175

Resolution awarding Professional Legal Services Contract to O'Melveny & Myers to provide legal services for Labor Negotiations with the San Francisco Airport Police Officers Association. Initial Contract Amount of \$50,000.00

15. Modification No. 4 to Legal Services Agreement with Richard H. Jordan

No. 96-0176

Resolution approving Modification No. 4 to Professional Legal Services Contract with Richard H. Jordan to extend

term of contract for one year thru and including June 30, 1997, and increase compensation by \$35,000; all other terms and conditions of contract to remain in full force and effect.

16. Contract Modification No. 3 - Kenyon & Edelstein

No. 96-0177 Resolution approving Modification No. 3 to contract with Kenyon and Edelstein to provide legislative advocacy in the California State Legislature. Term of contract to be extended from July 1, 1996 thru December 31, 1996 and contract amount to be increased by \$30,000.00.

17. Federal Aviation Administration Lease Modification

No. 96-0178 Resolution authorizing the Director to modify Federal Aviation Administration (FAA) Lease No. DTFA08-95-L-14707 CAT. III ILS Localizer Runway 28R.

18. Resolution Ratifying Personnel Actions

No. 96-0179 Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director.

19. Retirement Resolution - Dave Nitchman

No. 96-0180

* * *

K. PUBLIC HEARING:

The public hearing was convened at 11:10 AM and adjourned at 11:14 AM, there being no requests from the public to speak.

20. Hearing on Fiscal Year 1996/97 Rates and Charges

Hearing regarding the proposed landing fees, terminal rental rates, general aviation outdoor aircraft storage fees, in-transit lounge fee, jet bridge use fees, sewage/wastewater treatment fees and water fees for FY 1996/97.

Mr. Ballard said that this item deals with a variety of rates and charges. These rates and

charges have been approved by the Airline Affairs Committee. The base terminal rates are slightly lower than was forecasted in the Master Plan MOU with the airlines.

Commissioner Strunsky asked that if we extrapolated these rates out are we still okay in our MOU for \$125-million.

Mr. Martin responded that we are under the curve. We are tight but the projections show that we are on target for making the \$125-million goal.

Commissioner Strunsky noted that the in-transit lounge fee went down. He asked if the in-transit lounge area in the new International Terminal will have retail space like Frankfurt airport.

Mr. Ballard responded that the in-transit requirement is very different in Frankfurt. We presently have a difficult time keeping a vending machine properly utilized in the in-transit area. At this point we do not have plans for that sort of retail operation.

Mr. Martin added that probably in 2004 or 2005 the International Terminal boarding areas will be pure international flights and the boarding areas can be made sterile areas. We would not allow passengers out of the boarding areas once they went through security. That would allow in-transit passengers to get off their flights and walk back to the main Duty Free shop.

* * *

L. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Dr. Nancy Jewell Cross, Clean Air Transport Systems, said that the main reason people aren't riding bicycles is due to security problems. Bicycles that are chained to bars can be stolen by cutting through the chain; boxes can be broken into. Dr. Cross proposed bicycle garages. Instead of an \$18-million construction budget for a car garage, the Airport would have a \$3-million construction budget for a bicycle garage. CalTrain uses half of one car to transport bicycles. The Airport's current shuttle bus contract does not accommodate bicycles so passengers must leave them at the train station. It's not that people don't like bicycles or won't use them but there has to be a continuity of security. She wants people who ride bicycles to be accommodated.

Commissioner Berman asked Dr. Cross if she rides a bicycle.

Dr. Cross responded that she does.

Commissioner Berman asked Mr. Martin if provisions are going to be made for people who ride bicycles.

Mr. Martin responded that provisions will be made. He has spoken to the San Mateo County Board and provisions will be made at the Millbrae CalTrain Station for bicycle storage. The appropriate people in the community who are experts in this area will be involved.

Dr. Cross said that she wants to be able to take her bicycle on the shuttle bus from the Millbrae Station to the Airport.

Commissioner Brooks said that she recently bought her second collapsable bike. She said that she is not a true bicycle enthusiast and asked if people who ride bikes liked collapsable bikes.

Dr. Cross responded that if you ride great distances a collapsable bike is a toy.

Commissioner Brooks said that it would at least get you to the station.

Dr. Cross said that they aren't comfortable; they're toys.

Mr. Martin said that he will follow up.

* * *

M. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

N. CLOSED SESSION:

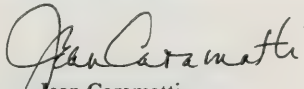
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) regarding pending litigation entitled Spencer v CCSF; Government Code Section 54956.9(b)(1) regarding potential litigation and Government Code Section 54956 regarding a personnel matter (Director of Administration).

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

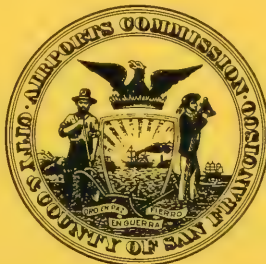
O. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:22 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JULY 2, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission Meeting
July 2, 1996

CALENDAR AGENDA			RESOLUTION	
SECTION	ITEM	TITLE	NUMBER	PAGE
A.		CALL TO ORDER:		2
B.		ROLL CALL:		2
C.		ITEMS INITIATED BY COMMISSIONERS:		2
D.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Commission Action Regarding the Award of Contract No. 5601G - Utility Relocations - Phase V	96-0181	2-3
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Adoption of FY 1996/97 Rates & Charges	96-0182	3-4
F.		NEW BUSINESS:		4
G.		CORRESPONDENCE:		4
H.		CLOSED SESSION:		4
I.		ADJOURNMENT:		5

Minutes
Airports Commission Meeting
July 2, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan

Absent:	Hon. Marie K. Brooks, Vice President
	Hon. Larry Mazzola

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was adopted unanimously.

1. Commission Action Regarding the Award of Contract No. 5601G - Utility Relocations - Phase V

No. 96-0181

Mr. John Martin, Director of Airports, recommended award of this contract to Shimmick. After further review of the situation he concluded that there were only two practical alternatives. One alternative is to reject all bids and rebid the contract in the same format. This would result in a delay in the Master Plan Program and would ultimately

impose delay costs on the International Terminal project. That cost would exceed the cost differential between our current estimate of this contract and the Shimmick bid. The current estimate of this contract is \$11.9-million compared to the Shimmick bid of \$13.5 million, or \$1.6-million of that estimate. The delay costs would translate to about \$2.6-million.

The new Master Plan schedule that staff is working on should ensure that this situation will not occur very often. We should be able to bid our contracts in such a way that we will have enough time to reject all bids if they do not come in within our budget.

Commissioner Berman voiced his concern about this particular situation at the last meeting. The Commission does not intend to abandon past practices and the rule of thumb of 7-1/2%. However, there were a number of situations involved in this bid ... the differentials, the wording, the alternates, etc. that made our figures inconclusively look high. Taking all of these circumstances into account and lacking information on whether either option would cost us twice as much or half as much, he felt the Commission should accept Shimmick's bid.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was adopted unanimously.

2. Adoption of Fiscal Year 1996/97 Rates and Charges

No. 96-0182

Resolution adopting the aircraft landing fees, minimum landing fee rates, terminal rental rates, general aviation aircraft outdoor storage rates, in-transit lounge fee, jet bridge use fees, sewage/wastewater treatment rates and water fees for Fiscal Year 1996/97.

Mr. Martin said that no public comments were taken at the public hearing held at the last meeting and recommended approval of the rates and charges.

Commissioner Strunsky thought it would be a good idea if the rates and charges could be brought up to date with other airports.

Mr. Martin said that an updated chart listing the figures of other airports will be provided to the Commission.

Commissioner Strunsky said that it would be interesting to delineate in the report why we

are not number one.

Mr. Martin noted that many of the terminal buildings in Atlanta were built by the airlines so the debt is paid directly by the airlines, not the airport. Also, many of the operating costs are paid by terminal operators.

Commissioner Strunsky assumed that we are really comparing apples and oranges when we delineate those other airports as number one.

Mr. Martin agreed. He said that that practice is true at more than half of the airports.

* * *

F. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

G. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

H. CLOSED SESSION:

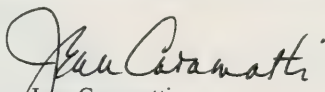
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) regarding pending litigation entitled Spencer v CCSF, and, Asian American Contractors Association v Airports Commission; Government Code Section 54956.9(b)(1) regarding potential litigation; and, Government Code Section 54956 regarding a personnel matter (Director of Administration).

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

I. ADJOURNMENT:

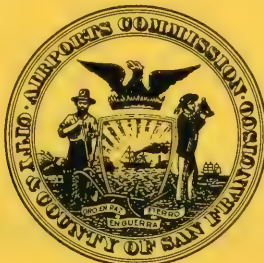
There being no further calendared business before the Commission the meeting adjourned at 9:07 AM.



Jean Caramatti
Commission Secretary

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MINUTES

JULY 10, 1996

* SPECIAL MEETING

1:00 A.M.

✈ ROOM 404 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission Special Meeting
July 10, 1996

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	1.	Consideration of Resolution Approving the Project Stabilization Agreement in Light of a July 9, 1996 Court Order from Judge William Cahill in an Action Entitled American Asian Contractors Association v Airports Commission		2
D.		NEW BUSINESS:		2
E.		CLOSED SESSION		
		Pending Litigation: American Asian Contractors vs. Airports Commission		3
F.		ADJOURNMENT:		3

AIRPORTS COMMISSION

JULY 10, 1996
Special Meeting

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 1:00 PM in Room 404, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Henry E. Berman, President
Marie K. Brooks, Vice President
Roland A. Quan

Absent: Michael S. Strunsky
Larry Mazzola

* * *

C. ITEMS RELATING TO MASTER PLAN PROJECTS:

1. Consideration of Resolution Approving the Project Stabilization Agreement in Light of a July 9, 1996 Court Order from Judge William Cahill in an Action Entitled American Asian Contractors Association v Airports Commission.

Commissioner Berman announced that in light of Judge Cahill's decision there was no need to take further action on this item.

* * *

D. NEW BUSINESS:

There were no requests from the public to speak.

* * *

E. CLOSED SESSION:

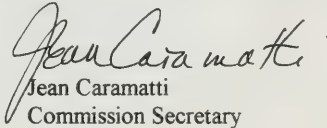
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to discuss pending litigation entitled American Asian Contractors Association vs Airports Commission.

The Airports Commission did not go into closed session.

* * *

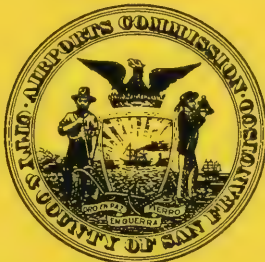
F. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 1:03 PM.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JULY 23, 1996

*SPECIAL MEETING

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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July 23, 1996

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		Regular Meeting of July 2, 1996		
		Special Meeting of July 10, 1996	96-0184	4
D.		ANNOUNCEMENT BY SECRETARY:		4
E.		SPECIAL ITEM:		
	1.	Agreement with Airlines Re Airline Approval of Capital Project to Design and Construct the On-Airport Portion of the BART Extension		4-5
F.		DIRECTOR'S REPORTS:		
	2.	Report on Master Plan Baseline Budget and Schedule		5-7
G.		ITEMS INITIATED BY COMMISSIONERS:		
		Airport Audit		7-8
H.		ITEMS RELATING TO THE MASTER PLAN PROJECT:		
	3.	Award Professional Services Contract 5709A/E - Airport Rail Transit, West Field and Parking Lot D Stations	96-0185	9
	4.	Reject Bids - Contract 5912A - Install Automatic Vehicle Identification System	96-0186	9-12
	5.	Reject Bids - Contract No. 5500F - International Terminal Baggage System	96-0187	12-14

6.	Bid Call - Contract 3606.1 - Request for Qualifications & Proposals - Environmental Consulting Services for Master Plan & Environmental Laws Compliance Programs	96-0188	14-15
7.	Limit of Damages under Contract No. 5703A - Airport Light Rail System	96-0189	15-16
8.	Declaration of Official Intent to Reimburse Capital Costs from Future Issuances of Debt	96-0190	16-17

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

9.	Award Contract No. 3000A - Runways 10L and 10R Safety Area Extension, Phase A	96-0191	17
10.	Authorize Reimbursement to FAA to Relocate Runway Localizer Facility - Not-to-Exceed \$250,000.	96-0192	17
11.	Authorization to Conduct Pre-Bid Conference - Agreement for Rental Car Operations at SFIA	96-0193	17-18

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

12.	Award Professional Services Contract 5602.2 - Geotechnical Services for Employee Parking Facility No. 3 - Plot 7	96-0194	18
13.	Modification No. 1 of Professional Services Agreement - Contract 5750 - North Field Cargo Facilities - Stone & Webster/F.E. Jordan, a Joint Venture	96-0195	18-19
14.	Bid Call - Contract No. 5900C - Bridge Piles, Pilecaps and Columns	96-0196	19
15.	Retrofit City of Millbrae's Sewer Manholes on McDonnell Road	96-0197	19-20
16.	Modification No. 12 of Lease No. 82-0126 - United Air Lines, Inc.	96-0198	20

17.	Design Approval - North Terminal California Products Shop Lease	96-0199	20
18.	Resolution Ratifying Personnel Actions	96-0200	20
K.	NEW BUSINESS:		20
L.	CORRESPONDENCE:		20-21
M.	ADJOURNMENT:		21

Minutes
Airports Commission Special Meeting
July 23, 1996

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan
	Hon. Larry Mazzola

Absent:	Marie K. Brooks
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* * *

C. ADOPTION OF MINUTES:

The minutes of the following Airports Commission meetings were adopted by order of the Commission President.

No. 96-0184	Special Meeting of June 25, 1996
	Regular Meeting of July 2, 1996
	Special Meeting of July 10, 1996

* * *

D. ANNOUNCEMENT BY SECRETARY:	In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced the unanimous adoption of Resolution No. 96-0183 approving the appointment of Theresa Lee as Director of Administration effective on the resignation date of Andrea Gouridine at the closed session of July 2, 1996.
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* * *

E. SPECIAL ITEM:

Item No. 1 was removed from the calendar.

1. Agreement with Airlines Regarding Airline Approval of Capital Project to Design and Construct the On-Airport Portion of the BART Extension

* * *

F. DIRECTOR'S REPORTS:

2. Report on Master Plan Baseline Budget and Schedule - Oral Report

Mr. John Martin, Director of Airports told the Commission that for the last several months staff has been working on finalizing the Master Plan baseline schedule and budget. In order to insure that we have identified all of the problems and have a schedule that we can commit to he created a Master Plan Advisory Board that consists of our lead construction managers, Jason Yuen who serves as Chair, and Airport Senior Staff from Business and Finance, the Bureau of Design and Construction, Facilities Operations and Maintenance, and Operations.

This process has been very useful in identifying problem areas and getting a schedule that all of the key players can accept and that everyone believes is a workable schedule.

Staff and our lead coordinating construction manager, O'Brien-Kreitzberg, will report in detail on the schedule. This schedule has been reported to the airlines and they seem comfortable with it. They have also participated in the Master Plan Advisory Board process.

Mr. Martin said that staff is in the process of resolving some budget problems. He expects to hold a number of meetings with the airlines in the coming weeks to obtain their input as the budget problems are resolved.

He had planned to return to the Commission on August 6 for presentation and approval of the final budget but the airlines requested an additional two weeks for their input. He will return on August 20 for Commission approval.

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction said that staff has developed a baseline budget and schedule based on the current scope of the Master Plan program. Over the last 18 months the Master Plan program has undergone some major changes which resulted in significant changes in the scope of some projects. Some of these changes have occurred in Boarding Areas "A" and "G", the Airport Rail Transit System and the access roadways and ramps and the parking structures along the main entrance road.

During June an intensive exercise was conducted to confirm, revalidate and in some cases create budget estimates in accordance with the current scope of the Master Plan. A revised schedule was developed to reflect a realistic time frame in which to design and construct these projects. The exercise was performed through a joint effort of our two lead consulting firms, SFO Associates and the joint venture team of O'Brien-Kreitzberg/Luster Construction

Management/GKO Associates.

The Master Plan Advisory Board is monitoring the development of the baseline budget and schedule.

Mr. Tom Bishop, Executive Vice President of O'Brien-Kreitzberg explained that the development of the schedule was a joint effort that included the input of each of the construction, project managers and program control groups involved in the effort. The process began by their team collecting all of the individual schedules that were prepared for each of the individual projects. Those schedules were reviewed, revised and then integrated into one large program schedule. The total schedule includes somewhere between 3,000 to 3,500 activities for the overall Master Plan.

Once those schedules were integrated they were reviewed for conflicts. The schedules were then resource loaded in order to compute the level of manpower on the site at any given time as well as such things as the number of concrete trucks on a site at the same time. Adjustments were recommended in order to achieve a more reasonable working level in the congested sites. They then worked with the construction and project managers to develop a more appropriate balance of resources and then finalized a draft schedule which was then shared with the project and construction managers and Airport operations staff to make sure there was consensus. It was then shared with the airlines for their comments. Mr. Martin has indicated that the airlines are comfortable with the schedule but will reserve final comment until they go through the budget items to see if there are any adjustments that will effect the schedule.

Mr. Bishop used a chart to explain the schedule and identify the critical path projects. The International Terminal is the main project that controls the overall completion schedule. The construction sequence requires that some of the elevated recirculation roadways be completed.

The overall program calls for a phased opening of the Airport. The initial opening is proposed for the first quarter of the year 2000; the International Terminal, Boarding Areas "A" and "G" totalling 16 gates, the International Terminal garages and the roadways will all be open at that time. Another set will open in June and three more gates will open in December. All 25 gates will be open by March 2001.

The sequencing of the gate openings is necessary because of the constrained area of those gates and the need to develop a construction process in a phased manner so that the access roads always remain open and do not obstruct routine operation. There will be temporary access roads that will go to the outside of the International Terminal parking structures. Once the garage is completed we can open the permanent roads on the inside area and complete the apron area.

Commissioner Strunsky asked what the sequence was for the openings.

Mr. Nick Smyth, O'Brien-Kreitzberg explained the sequence by using the chart on display.

Mr. Bishop said that the schedule that has been developed is still in draft form until it is approved

by the Commission.

Commissioner Strunsky did not understand why Concourse H will be last.

Mr. Bishop responded that the sequence of Concourse H is controlled by the parking structures and the roadway structures and it is part of the leveling process.

Mr. Eric Fruchtmann, O'Brien-Kreitzberg/Luster Construction Management/GKO Associates said that we are building from the center out. We are starting with the elevated roadways in front of the garages, moving that contractor out of the way and building the garages. The north garage has to be above Concourse H in order to allow them to apply the forms. Concourse H will follow behind that. There is also a requirement to maintain access in order to erect the structural steel.

Commissioner Quan asked when Concourse H is expected to be completed.

Mr. Bishop responded that it is expected to be completed in September, 2000.

Mr. Martin said that the Commission will be provided with a detailed schedule showing the completion dates for each of the projects. He is confident that this schedule can be met.

Commissioner Strunsky asked if the Commission would receive a schedule book similar to the one received a few months ago. It was a well put together analysis.

Mr. Martin responded that a schedule book is being prepared.

* * *

G. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Berman said that there has been a lot of press on the Harvey Rose audit and asked Mr. Martin to address this issue.

Mr. Martin explained that mention has been made of a \$500-million surplus. The Airport does not have \$500-million surplus, but there is a \$500-million cash balance. Approximately half of that is bond proceeds and by law must be used for Airport capital projects. Those bonds were sold for the purpose of funding Master Plan projects.

The other half of the Airport's cash balance ... approximately \$250-million ... is unrestricted cash under generally accepted accounting principles but under the Lease and Use Agreement with the airlines those funds must be used for one of two purposes ... Airport capital projects or Airport operating expenses.

The \$250-million breaks down roughly as follows: approximately \$139-million is set aside for Airport capital projects which includes FAA grant reimbursements received over time; a \$48-million bond

contingency account that was established several years ago to enhance our credit worthiness for bond investors; \$22-million in aviation revenue collected in advance which is revenue in excess of expenses from previous years that must be credited back to the airlines under the terms of the Lease and Use Agreement; \$41-million for current liabilities where we have entered into contractual agreements but as of the last day of the fiscal year those funds have been paid out.

The Airport's annual service payment for the most recently completed fiscal year which ended June 30, 1995 was \$18.2-million. The annual service payment is calculated at 15% of total concession revenue. We are the only airport in the country that is allowed to transfer a percentage of concession revenue to its City. This is a result of a grandfathering provision in Federal law that protects us. That \$18.2-million is twice as large as any other city receives from its airport.

The articles have been consistent in pointing out the Airport's strong financial position. It is because of that strong financial position that we are able to undertake this \$2.4-billion Master Plan program and that we were able to obtain airline support for the program. It is one of the few airport programs of this size in the country where the airlines have come on board.

Our A+A1 credit rating is a result of our strong financial standing. These ratings are the highest for a single airport credit in the U.S. Our favorable financial position generates enormous economic benefits to the San Francisco Bay Area. It also contributes to our being the first airport on the West Coast to respond to the continuing growth in international traffic. San Francisco will be several years ahead of Los Angeles in opening a new International Terminal.

Commissioner Berman explained that this agreement came about in 1981. Dianne Feinstein was Mayor, Mo Bernstein was President of the Airports Commission and George Agnost was City Attorney. It was an arduous process that brought about the Lease and Use Agreement, generally acknowledged as one of the best agreements in the United States to benefit any city.

Commissioner Berman said that some of the statements made in the audit bordered on the absurd. The first was that the Airport should pay the City because the City incurs extra costs because of all the tourists the Airport delivers to San Francisco. Tourism is the engine that drives San Francisco's economy. If anything, the City should figure out a way to compensate the Airport for the good deed of bringing all of these passengers into San Francisco.

The other conclusion made was that when this agreement expires in 2011 the City will get nothing. That is untrue. It was contemplated at that time that this would be a long term contract which would be renegotiated before it expires. No one will let the contract expire. That was the purpose of this agreement.

These issues will be answered at the proper time. We are receiving inquiries as if we are hiding a treasure chest.

Commissioner Berman also disagreed with Mr. Rose's assertion that airlines should not be making money. Mr. Rose asserts that the airlines are profit-driven, as if that is some sort of a crime or of less social value. Mr. Rose further notes the exorbitant salaries that some executives receive, as if

they derive from what happens in San Francisco.

* * *

H. ITEMS RELATING TO THE MASTER PLAN PROJECT:

Item No. 3 and Item Nos. 5 through 8 were adopted unanimously. Item No. 4 was adopted by a 3-1 vote, with Commissioner Mazzola casting the dissenting vote.

3. Award of Professional Services Contract No. 5709 A/E - Airport Rail Transit (ART) West Field and Parking Lot D Stations

No. 96-0185

Resolution awarding Professional Services Contract No. 5709A/E, Airport Rail Transit (ART) West Field and Parking Lot D Stations to Murokami Associates/Bull Stockwell Allen Ripley, a Joint Venture, and approving the construction budget for the project.

Amount of Professional Services Contract: \$330,000.00

Construction Budget Amount: \$3,050,000.00

Mr. Bordegaray explained that this contract provides for the design of the Airport Rail Transit Stations at the West Field area and Parking Lot D. The design contract has been negotiated and provides for a basic services fee of \$284,000 to design the two stations. That fee is approximately 9.3% of the construction budget for the projects. Construction is estimated at \$3,050,000.00. The MBE/WBE participation goal was established by HRC at 15% for MBE and 4% for WBE. The design team committed to 20.3% MBE and 7.7%WBE.

4. Rejection of Bids - Contract No. 5912A - Install Automatic Vehicle Identification System

No. 96-0186

Rejection of all bids received for Contract No. 5912A, Install Automatic Vehicle Identification System, on June 6, 1996 and authorization for rebid when ready.

The apparent low bidder, XCI Inc., was determined by Airport and City Attorney staff to be nonresponsive; the second low bid exceeded the Airport's budget by 5.2%.

Mr. Bordegaray said that bids were authorized on April 18 and two bids were received on June 6. The low bid was submitted by a company that did not have a contractors license for this work. A protest was received from the second bidder making the allegation and upon investigation was ultimately discovered to be correct.

The second bidder was above the contract estimate.

Mr. Bordegaray recommended rejecting all bids and asked for authorization to re-bid the contract with a change. The contract will be opened up to Class C-10 licenses (electrical contractor) in addition to Class A and B. This should expand the bidding field and bring in better bids.

Commissioner Strunsky asked if XCI had a C-10 license.

Mr. Bordegaray responded that XCI did not have an A, B or C-10 license.

Commissioner Strunsky noted, relative to Items 4 and 5, that we have been experiencing a lot of bid rejections. He asked if we are carefully looking at the bids before they go out to maximize the number of bidders. He asked why a C-10 license wasn't considered originally.

Mr. Bordegaray responded that it probably wasn't included because for many years we have only included A and B licenses and we have not been in a situation where we have considered specifying a certain type of license for a certain type of work. We now recognize that there is a chance to do that.

Commissioner Quan asked, with respect to Item No. 5, if there is anything staff can do in the future to try and maximize the bidders and receive responsive bids that are within budget. He said that if he was a bidder and the contracts on which he bids are consistently rejected, he might decide to wait for the second round.

Mr. Bordegaray explained that staff has been looking at limiting damages for consequential and incidental damages. This will probably lower the bids and provide a more competitive bidding field.

Commissioner Quan asked if staff can try to structure the bids in order to attract more bidders. He also noted that bids include a budgeted amount and asked if it is required by law. He asked if people are bidding toward our budget.

Mr. Bordegaray responded that he did not believe that there is a legal requirement. The reason for doing that is to set the range for the contract so that we don't get bidders who are bidding on contracts that are way over their heads. Conversely, a large contractor may not want to bid on smaller contracts.

Commissioner Berman said that he felt strongly about fairness and equity. If it had been determined that the second bidder did not have the proper licenses, it would have left us with only one bidder. That's not a bidding process. Now that the bids have been established, the contractor whose bid has been disclosed is at a disadvantage.

There needs to be a reappraisal of the bidding process. Perhaps we should institute a policy where three bids must be submitted or none of them are opened.

Commissioner Strunsky thought it was very strange that an A license was listed as a

requirement. An A license is for dams, highways and power plants; a B license is for building. A contractor with a C-10 (electrical contractor) license should be able to do this project. He said that most of the large electrical contractors he knows don't carry A licenses. That was our mistake. The public bidding process gives the authority that is letting the bid almost unqualified rights to reject for any reason that they deem necessary. Although it may not seem fair to the individual contractors caught in the bind, he believes that this was done for the public good in the long run. He would rather see it remain the way it is. We need to take better care in looking at our specifications. We have the best construction management talent in the country and how this got out with an A license requirement is beyond him.

Mr. Martin said that the Airport team should have caught that mistake. He was surprised that it did not come up in the pre-bid meeting. He warned that contractors will take an item like liability and make a pronouncement that they are not going to bid unless we limit the liability to a very low level but then submit bids anyway.

We have learned that on contracts like the baggage system and the automated vehicle identification system there is a need to put a cap on consequential damages. We had to go through the bidding on at least one of these contracts to see that we are paying a premium if we don't put a cap on consequential damages.

Mr. George Schlesinger, President, Kingston Constructors said that they were the second bidder on this contract. This job has nothing to do with licenses; this is a software electronic computer hardware project. Only two companies in the country showed any interest in this project.

XCI submitted an unlawful bid. Rejecting this bid won't bring in any new bids because there aren't any new manufacturers that can supply this equipment. The software is a large part of this contract; it must interface with the existing management system.

This is not a contractors job and it is not a construction contract. The construction portion is incidental.

A re-bid will result in someone shooting at their bid which has been revealed. Their bid will not change. It costs a lot of money to send someone to the pre-bid, to make site visits and submit a bid.

The difference between Kingston's bid and the Airport's budget is \$83,500; not an unsurmountable amount of money. He urged the Commission to award the contract to them and negotiate some of the spare parts and allowances that are unnecessary.

Commissioner Berman said that he was sympathetic to the dilemma, however, the Commission is caught in the same dilemma. If it is true, as Mr. Schlesinger suggests, that in a re-bid there won't be any other bidders, they have nothing to be concerned about.

Mr. Martin said that XCI would be a qualified bidder if they had the license. We have had other situations where contractors from out of state submitted bids but had not yet submitted the

paperwork to the state to become a licensed contractor.

Mr. Schlesinger said that XCI could not possibly obtain a license in time. If XCI does bid you can be sure that they will submit a bid just under Kingston. Kingston is prepared to negotiate.

Commissioner Berman said that the Commission cannot award the bid and negotiate at the same time. It has to be one or the other.

Commissioner Mazzola asked if it was possible to make a substitute motion to reject bids and enter into negotiations with the Kingston group.

Mr. Martin responded that we can't do that.

Commissioner Strunsky said that there is more here than just the engineering or software portion; there's equipment that needs to be supplied. The City Charter says that we need competitive bids to buy equipment, even if it's combined with software.

5. Rejection of All Bids - Contract No. 5500F - International Terminal Baggage System

No. 96-0187

Resolution rejecting all bids received for Contract No. 5500F, International Terminal Baggage System and authorizing rebid when ready. The two bids received both included qualifications to the General and Technical Specifications and were found to be non-responsive.

Mr. Bordegaray said that the bid was authorized last December and two bids were received on June 25. Both bids were deemed non-responsive because they contained numerous bid qualifications which we don't allow with bid submittals. Also, both bids were over the estimate, although they were under the project budget. He feels confident that the estimates that were made for the system were the true value of the cost of the system but it appears that the bids had two factors. One was that there were a limited number of bidders. The other was the unlimited incidental and consequential damages which are normally passed on to the contractor.

Perhaps one way that we might be able to bring these bids back to where they are more realistic is by putting a cap on it. This issue is addressed for the Light Rail. We will look at re-bidding this contract under those same conditions. We will also look at any level of interest the airlines have in providing this system.

Commissioner Berman asked if the reason we only had two bidders was due to the fact that there was no cap on the liability.

Mr. Pete Bittenbender, Project Manager, responded that we started out with four bidders. Early on two of them notified staff that the general conditions were not acceptable in terms of unlimited damages. One company offered a proposal of the value of the contract with a cap on

the damages. Staff discussed this with the City Attorney's Office and they were advised that they had to continue with the unlimited damages requirement.

The low bid was under our budget but was 28% over the estimate for the system. The bidders were not familiar with the terms of submitting a bid and are used to dealing directly with the airlines on a negotiated basis.

Commissioner Berman asked Mr. Bittenbender if he had in mind a ratio of liability in relation to the price of the contract.

Mr. Bittenbender responded that a financial analysis needs to be done on each contract. In the case of the ART system he believed that that analysis resulted in 2.6 times the value of the contract. We would need to factor in possible lost profits or other damages to the carrier should anything happen to that system as a result of installation or the quality of equipment.

Commissioner Berman asked how the situation was resolved in Denver.

Mr. Martin responded that the Denver Airport and United Airlines have litigation against BAE.

Mr. Bittenbender added that Dun and Bradstreet reports were part of their investigation of bidders because the airlines expressed a disinterest in having these bidders participate.

Staff is proposing to do the analysis, cap the damages, explore repackaging the system and breaking it down to in-bound and out-bound. The third alternative, which appears to hold promise, is to reach agreement with the airlines to manage the bid award using general conditions which they developed with the baggage system suppliers. This would probably put the suppliers back in a more comfortable environment. The two bidders that dropped out have indicated that they would absolutely come back and bid.

Commissioner Strunsky said that we are going to great extent to make the International Terminal a flexible multi-use terminal. We're going to a check-in system at the gates, which the Airport will own and will allow any airline to use any gate. He thought that having the airlines install the baggage system was counter to everything we have done up to this point.

Mr. Martin responded that in order to maximize flexibility and control of the facilities, we would need an agreement with the airlines to install the equipment and insure that we maintain control, to be able to buy out the airlines for the equipment, to control useage and at what fee so that new entrants could not be charged a premium by existing carriers for use of the system.

Commissioner Strunsky felt that a design and build bid is not as pristine as a lump sum bid. He said that he found it hard to believe that we can't find a way to bid this competitively within the City Charter and still gain the maximum advantage for the Airport.

Mr. Bittenbender added that we have until July, 1997 to proceed on the bag system. We are under no pressure at this point to reissue bids.

Commissioner Mazzola asked if the budgeted amount or estimated amount is included in the advertisement for bids.

Mr. Bittenbender responded that the advertisement does not include the dollar amount. The ad lists the specifics of the contract and the date. He said that the number seems to come out in the outreach program.

Commissioner Mazzola asked if the estimate number or budgeted number comes out in that process.

Mr. Bittenbender responded that the budgeted number is used.

Mr. Martin explained that it is very difficult to keep our numbers secret in the public environment. We work with the HRC in determining the appropriate levels for minority and women subcontracting goals. With the number of reports we put out and the size of our consulting teams involved, it's impossible to keep those numbers from bidders.

Commissioner Mazzola agreed but believed that using the estimate is better than using the budgeted number.

Commissioner Strunsky noted that this contract would usually be listed in the Daily Pacific Builder as a range from \$25-million to \$50-million contract.

Mr. Bordegaray added that we try to maintain the engineer's estimate somewhere below the budget number. In some instances the engineer's estimate and the budget number are the same.

6. Bid Call - Contract No. 3606.1 - Request for Qualifications and Proposals for Professional Environmental Consulting Services for the Airport's Master Plan and Environmental Laws Compliance Programs

No. 96-0188

Resolution approving the scope, budget and schedule for Contract 3606.1, and authorizing the Director to proceed with request for qualifications and proposals for professional environmental consulting services for the Master Plan and Environmental Laws Compliance Programs when ready.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that we are approximately half way through the clean-up work. In order to continue with the clean-up program and increase the scope we need to bring on an additional consultant.

Commissioner Berman commended Mr. Wong on his recent report.

Commissioner Strunsky noted that some of these environmental problems can be traced back to

specific tenants and asked if it is possible to be reimbursed for some of this work.

Mr. Wong responded that we have a team in place that is tracing all of the documentation and we are working with legal counsel to recover the cost from tenants. To date we have not had to recover any funds because the tenants have been forthcoming in taking care of the problems.

Mr. Martin said that five rental car companies have completed their work. United Airlines has spent over \$10-million in environmental clean-up. The tenants are cleaning up because staff has done such a good job in documenting the clean up required and attributing the damage to specific tenants.

7. Limit of Damages under Contract No. 5703A - Airport Light Rail System

No. 96-0189

Resolution limiting damages of contractor under Contract 5730A, Airport Light Rail System to 2.6 times the contracted amount (estimated budget for project - \$166-million) (other than damages related to bodily injury.)

Mr. Bordegaray said that Airport Rail Transit System bidders have voiced concerns over liability and asked that this issue be addressed with the Commission to identify the limit of liability. This seems to be an upcoming trend in the transit industry. The limitation factor of one half to 2.0 has been used in previous situations.

The legal and business departments have reviewed and analyzed the risk factors and the financial impacts and recommend that we impose a limit equal to 2.6 times the contract value. That 2.6 would result in a limit of liability of between \$423-million and \$429-million for this particular project. Most of that is based on a replacement of the system based on a year 2006 replacement in addition to all of the amenities that must be performed before that replacement can happen, such as busing and loss of revenues.

Without the limitation we would be limiting bidders and the bids would reflect higher costs based on the unknown, which is the damages themselves.

We will be looking at this application for projects such as the baggage system.

Commissioner Berman assumed that the 2.6 may become a standard. That's the number mentioned for the cap on liabilities on Item No. 5.

Mr. Bordegaray responded that we are currently investigating what that number may be. Depending on what the factors are and what we think the costs would be, it may be in that range, but it could be something different. In the case of the baggage system, if the system were to fail we must determine how it would be repaired or replaced, how long it would take, and assess the impact to the airlines and the Airport.

Commissioner Strunsky said that we have an ART system that goes out to bid and the specifications say that the trains will go 20 miles an hour. The theory is that if the trains can only go 15 miles an hour we might go after the supplier and it might cost more than 2-1/2 times the bid, but the supplier would only have to pay the 2-1/2 times amount. He asked if that was a consequential damage or a direct liability for the performance contract.

Mr. Tom Kardos, Project Manager explained that if the supplier does not live up to the performance standards, we call in the performance bond and he will have to cure the damage within the performance bond which is 100% of the contract amount.

This is based on a total system failure six years after completion. In Jacksonville, Florida the owner decided to replace the entire system. These are proprietary systems so one system cannot be readily replaced with another; that would require extensive reconstruction.

This covers all of our exposure beyond our final acceptance of the original system.

Commissioner Strunsky assumed that this would reflect a substantial reduction in bid price.

Mr. Kardos responded that it should reflect a reduction. He expected that it will maintain a competitive environment. The owners of these technologies are all overseas. They are very leary of the American litigious environment as they are deep pocket suppliers.

Denver limited damages to 1-1/2 times; Las Vegas had a fixed amount of \$5-million; Honolulu limited damages to 1-1/2 times.

Commissioner Strunsky said that 2.6 sounds like a huge amount of money and found it hard to believe that it would truly effect the bid price. He asked if we were being too conservative.

Mr. Kardos responded that we tested the potential competitors and found their uniform response to be that as long as we cap it we can insure it.

8. Declaration of Official Intent to Reimburse Capital Costs from Future Issuances of Debt

No. 96-0190

Resolution declaring Commission's intent to use proceeds of future debt issuances to reimburse advance costs being incurred for rental car facilities, aircraft fueling system, airline facilities improvements and planning and design costs for BART.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that this resolution allows reimbursement for costs incurred prior to bond issues. There are a number of projects included in this resolution ... fueling system, rental car facility, BART facility and Master Plan Projects in general and a supplement to United Airlines and some general infrastructure at the Airport.

This action reserves the option of the Airports Commission to issue bonds in the future and have the costs reimbursed but it does not commit the Commission to issue those bonds.

Commissioner Berman asked if this was according to Federal law requirements.

Mr. Ballard responded that it is.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

9. Award of Contract No. 3000A - Runways 10L and 10R Safety Area Extension, Phase A

No. 96-0191

Resolution awarding Contract No. 3000A, Runways 10L and 10R Safety Area Extension, Phase A, to Pavex Construction Company in the amount of \$3,759,130.00.

Mr. Wong explained that this contract will construct a new safety overrun area at the end of Runways 10L and 10R and build part of the Taxiway Q extension. Two bids were received on June 24. Pavex Construction Company was the low bid at \$3,759,130.00. The project is reimburseable up to 75% by the FAA.

10. Authorization to Reimburse Federal Aviation Administration (FAA) for Relocation of FAA's Runway 28R Localizer Facility at a Not-to-Exceed Amount of \$250,000.00

No. 96-0192

Resolution authorizing reimbursement to the Federal Aviation Administration in a not-to-exceed amount of \$250,000.00 to relocate the FAA's Runway 28R Localizer Facility.

Mr. Wong explained that this relates to the previous item. While the FAA must develop the contract, the contract is reimburseable up to 75%.

11. Authorization to Conduct Pre-Bid Conference - Agreement for Rental Car Operations at San Francisco International Airport

No. 96-0192

Mr. Ballard said a number of facilities are under month-to-month leases. These leases will become effective with the opening of the rental car facility.

Staff has met with the industry a number of times over the last year, so the pre-bid will not be the beginning of the discussion. Those discussions included programming the new facility and to set

up business arrangements to maintain the health of the industry.

The proposal calls for up to nine companies being able to bid for the right to operate a concession on the Airport. There will be a five year base term with a five year option to be exercised by the Commission, as well as a 10% fee.

Staff will report back to the Commission with the results of the pre-bid.

Commissioner Strunsky noted that this new rental car facility will be open on Lot D before the ART system becomes operational. He asked if we will be operating a single unified transportation system from the existing terminal area to Lot D.

Mr. Ballard responded that we are still in discussion on this issue with the industry. The industry has expressed a desire to have a uniform bus system operating. Perhaps the best approach would be to join together and create an entity to provide that actual service. The Airport may find it necessary to assist in the financing since there will be multiple parties.

Commissioner Quan asked Mr. Ballard if he anticipated enough bidders for the nine slots.

Mr. Ballard responded that he did not foresee a problem. If it turns out that there are only five bidders we can expand and absorb the space.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 12 through 18 were adopted unanimously.

12. Award of Professional Services Contract No. 5602.2 - Geotechnical Services for Employee Parking Facility No. 3 - Plot 7

No. 96-0193

Resolution awarding Professional Services Contract No. 5602.2, for Geotechnical Services for the Employee Parking Facility No. 3 - Plot 7, to Harza Consulting Engineers and Scientists in the amount of \$66,000.00.

13. Modification No. 1 of Professional Services Agreement for Contract No. 5750 - North Field Cargo Facilities - Stone & Webster/F. E. Jordan, a Joint Venture

No. 96-0194

Resolution approving the fee for professional services to prepare design revisions to the North Cargo Facility to incorporate the requirements of future tenants, Federal Express and Nippon Cargo Airlines. The amount of the modification will be reimbursed to the Airport by the

future tenants.

Design changes necessitated by	
Federal Express:	\$242,000.00
Design changes necessitated by	
Nippon Cargo Airlines:	<u>162,452.00</u>
Total Amount of Modification:	\$404,452.00

14. Bid Call - Contract No. 5900C - Bridge Piles, Pilecaps and Columns

No. 96-0195

Resolution approving the scope, budget and schedule and authorizing the bid call for Contract No. 5900C, Bridge Piles, Pilecaps and Columns.

Commissioner Quan said that since the engineer's estimate is always lower than the construction budget, why do we have an engineer's estimate and why isn't it ever higher?

Mr. Bordegaray responded that we try to achieve a lower estimate than the budget. We design within the budget.

Commissioner Quan asked why bids come in that are higher than both the engineer's estimate and the construction budget.

Mr. Bordegaray responded that sometimes the market conditions drive a bid up; sometimes the general conditions may make a contractor add more for incidental and consequential damages; the estimate could be wrong.

The design consultant prepares the estimate during the course of design. As we reach the point where we are ready to go out to bid we will validate that estimate with another estimate, perhaps performed by the construction management team. This is to give a level of confidence that that design consultant is correct. If we are satisfied with it, the contract will go out to bid. The results may be that the bids come in higher than the two estimates. We try to determine why that happened and prevent it from happening again. In the case of the structural steel contract, the bids came in higher than the estimates because the value of the steel was higher at the time of the bid than it was at the time of the estimates.

15. Retrofit of City of Millbrae's Sewer Manholes on McDonnell Road

No. 96-0196

Proposed resolution authorizing the Director to sign an agreement between the Airport and the City of Millbrae for the Airport to retrofit the City of Millbrae's sewer manholes on McDonnell Road, and receive reimbursement for the cost from the City of Millbrae.

Commissioner Strunsky asked if this was just the City of Millbrae.

Mr. Wong said that the manhole is located on McDonnell Road and Millbrae has a right-of-way on Airport property.

16. Modification No. 12 to Lease No. 82-0126 - United Air Lines, Inc.

No. 96-0197

Resolution which modifies United Air Lines, Inc.'s Lease and Use Agreement No. 82-0126 to increase joint use space in the International Terminal by 1,324 square feet and to modify the exclusive use space in the International and North Terminals for an aggregate increase in exclusive use space of 1,619 square feet.

17. Design Approval - North Terminal California Products Shop Lease

No. 96-0198

18. Resolution Ratifying Personnel Actions

No. 96-0199

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

L. CORRESPONDENCE:

Commissioner Berman noted the July 16 memorandum he received entitled "Master Plan

Construction Traffic Operations Update." He said that it is amazing that there haven't been more problems than there have been. He commended Sheldon Fein, Sgt. Glischinski and Duty Manager Mike Towle on the work they have done in this regard.

Mr. Martin said that this is a result of great teamwork.

* * *

M. CLOSED SESSION:

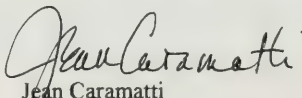
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) regarding pending litigation entitled Associated Builders and Contractors v Airports Commission; and, Government Code Section 54956.9(b)(1) regarding potential litigation.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

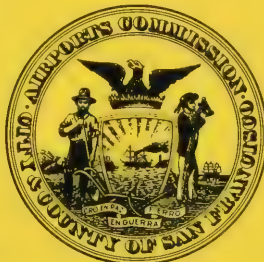
N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

AUGUST 6, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN
LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission Meeting
August 6, 1996

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Minutes
Airports Commission Meeting
August 6, 1996

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan

Absent:	Hon. Marie K. Brooks
	Hon. Larry Mazzola

* * *

C. ADOPTION OF MINUTES:

The minutes of the Airports Commission special meeting of July 23, 1996 were adopted by order of the Commission President.

No. 96-0201

* * *

D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

Retirement Resolution - Deputy Chief of Police James C. Gibbs

No. 96-0202

Mr. John Martin, Director of Airports said that Jim Gibbs has served as Deputy Chief since 1984 and was the first Deputy Chief appointed at the Airport. He is retiring after 29 years of service in the Airport Police Department. Jim has served with the highest degree of professionalism and has been a great role model for other Airport employees. He has shown the greatest degree of

loyalty and dedication in serving the Airport community.

Jim is going back to school in September and plans to continue in other business ventures.

Mr. Martin wished Deputy Chief Gibbs well in his retirement and thanked him for his years of dedicated and professional service to the Airport.

Mr. Gibbs thanked the Director and said that it has been his pleasure to serve the Commission.

* * *

E. DIRECTOR'S REPORTS:

2. Status of Master Plan Projects

Report on the status of Master Plan Project Exneptsures as of June 15, 1996, and in accordance with the updated Master Plan Schedule dated June 15, 1996.

Mr. Martin said that we are going through a review and finalization of the Master Plan budget and schedule. The Commission was presented with information on the schedule at the last meeting and it will be before the Commission again for approval in September. The airlines want additional time to review budget numbers and that ties in closely to the schedule. Our rates and charges projections need to be run against the Master Plan capital costs. We are working towards staying within the \$125-million limit imposed under the Airport's MOU with the airlines. Mr. Martin said that he is optimistic that we will be able to stay within that \$125-million figure but it will require more work with Airport staff, our consultants and the airlines. This review process for budget changes is consistent with the terms of the MOU.

We are looking at an increase in the Master Plan budget of approximately 10-12%. This increase includes scope changes for additional work related to utilities and security and special systems, as well as cost increases related to the general bidding environment.

Projects are also being added to our program that were originally intended as tenant projects. The Commission has already approved some of these projects, such as the rental car facility for \$125-million. The Airport will actually realize a profit by developing the facility and renting it to the rental car companies. We will also maintain a high level of control of our facilities which is essential given the limited land area available for development.

Another such project is the employee parking facility at Plot 7. That will become a break even operation.

Mr. Martin said that Jason Yuen will present the quarterly status report on the Master Plan. The report is based on figures of the old budget and schedule. Since we did not have the new figures, it is somewhat confusing.

Mr. JasonYuen, Acting Administrator, Bureau of Design and Construction said that as of June 15, 1996, the Commission has approved \$565-million worth of work, or about 28% of the Master Plan program. We have awarded 40 architectural/engineering and professional services contracts; 13 construction management contracts; 25 construction contracts and 7 hazardous materials contracts.

Of the \$565-million worth of contracts, we have spent about \$230-million, or slightly more than 11% of the entire Master Plan program.

In the area of professional services we are doing very well meeting the City's M/WBE goals. We have awarded approximately \$93-million worth of architectural/engineering service contracts to minorities, which is about 47% of the total dollars. We have awarded close to \$20-million worth of A/E contracts to women-owned firms, or about 10%.

In construction we have awarded about \$67-million to MBEs, or about 25% of the contracts. We have awarded 28% to women-owned firms, or about 9% of total construction dollars.

The status report also includes a schedule but that schedule is not based on the baseline schedule presented to the Commission at its last meeting. That schedule is before the Advisory Board for review and is also being reviewed by the airlines and the staff. It should be presented to the Commission for consideration in September.

The International Terminal is proposed to open in May 2000. He emphasized that this schedule is simply for discussion and is being considered by the Advisory Board and staff. It is not the final schedule.

Along with the International Terminal, 16 gates in Boarding Areas "A" and "G" will also open (10 gates in "G" and 6 gates in "A"). The remainder of the gates in "G" will open in January 2001, and the remainder of the gates in "A" will open in December 2000. The delays are due to construction phasing and the access of other projects. In the case of Boarding Area "G", two gates will not be operational because of BART station construction and the access road to serve the construction sites.

The roadway projects will be finished in February 2000. Tenants will then be able to access the building and can start moving in.

The International parking garages are scheduled to open in October 1999. Concourse H, assuming that BART will have full funding this fall, should be open in September 2000. The Airport Light Rail System will be fully operational by June 2001. The rental car facility in the long term parking lot should be open in August 1998.

Assuming that we can reach agreement on the budget, both the baseline budget and the schedule will be presented to the Commission at the same time next month. The budget and schedule are inter-related. We don't want to present a schedule only to find that the final budget is not compatible with it.

Commissioner Strunsky said that he had trouble reviewing the report since the report is all about dollars and time and we don't have the right dollars and time plugged into it. The exception is the chart on page 15 of the Executive Summary which shows the plan schedule, cash flow, and time. He hoped that the next time this is presented, what with moving the completion date and reexamining the budget, we will be pushing for on-time completion.

Mr. Yuen suggested that in the future we isolate the reason for falling behind as well as a recommended course of action to recover the lost time.

Commissioner Quan asked if the opening date will be the operational date?

Mr. Yuen responded that the operational date means that it will be open to the public. In the case of the Light Rail System, it means passengers riding the vehicles.

Mr. Yuen said that the Commission has not formally adopted a schedule. The schedule that we have been working on is one that staff has been using. It is time that we have a formal schedule.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO MASTER PNA PROJECTS:

Item Nos. 3 and 4 were adopted unanimously.

3. Modification No. 1 to Professional Services Contract No. 5600AE - North & South International Parking Garages

No. 96-0203

Modification No. 1 to Professional Services Contract 5600AE for North & South International Parking Garages (formerly Rental Car Garage/Ground Transportation Center), with ED2/MBT. Modification covers increase in scope of services and adjustments to professional service fees due to assignment of Contract 5650, Rental Car Facility - Lot D and Contract 5670, Concourse H/Airport BART Station. An increase to Basic Services Fees in the amount of \$4,523,000. and an increase to the Additional Services and Reimbursable Budget in the amount of \$774,000. is requested.

Total fees to be approved - \$5,297,000.00.

Mr. Martin explained that ED2/MBT is a joint venture originally selected to build the parking structures in front of the new International Terminal. At that time those parking structures were intended to serve as a commercial ground transportation center for the commercial vehicles dropping off passengers, a rental car facility and also to provide parking.

The program has changed since these firms were selected. We are now building a separate rental car facility out by the Bank of America and we have also added Concourse H to this part of the work. We are now providing a large amount of public parking in these parking structures where the original plan was only to provide a limited amount of public parking.

This item approves a \$6-million fee for design of the rental car facility, \$6-million for Concourse H, and a reduction in a fee for the original parking structures from \$15.2-million to \$8.5-million. We are looking at the parking structures in front of the International Terminal to balance and make the final adjustments to the Master Plan budget so it is possible that we will return to the Commission at a later date to further adjust the amount of funds allocated to the design of those structures.

Commissioner Strunsky said that this could be considered a \$1-million reduction in costs as Concourse H was never part of the package.

4. Airport-Caltrans Memorandum-of-Understanding (MOU)

No. 96-0204

Resolution approving the Memorandum-of-Understanding between the Airport and Caltrans for project development, right-of-way, maintenance and construction of ramps and structures along Routes 101 and I-380.

Mr. Martin explained that this item approves the MOU between the Airport and Caltrans. It establishes the basis for the relationship between the two organizations. The Airport will build the new freeway ramps, with input and cooperation from Caltrans. We will reimburse Caltrans for construction management related costs in an amount not-to-exceed \$1.5-million.

Commissioner Strunsky did not understand the wording "...and the ART be on Airport property."

Mr. Martin explained that the loop on the ART system closest to the freeway will be on Caltrans property so we are transferring properties with Caltrans so that that piece under the Light Rail would be on Airport property. This would be at the entry roadways. Caltrans does not want that liability.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item Nos. 5 through 8 were adopted unanimously.

5. Award of Contract No. 3228 - Runway 1L-19R Overlay and Reconstruction

No. 96-0205

Resolution awarding Contract 3228, Runway 1L-19R Overlay & Reconstruction, to the lowest responsive, responsible bidder, Pavex Construction Company, in the amount of \$8,781,102.00.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this contract will provide for work to reconstruct and overlay runways 1L and 19R and will also reconstruct portions of two taxiways.

Three bids were received on July. The low bid was submitted by Pavex Construction.

This is an FAA project and 75% of the cost will be reimbursement by the FAA.

6. Award of Contract No. 5851A - Parking Lot 'D' Addition, Phase A

No. 96-0206

Resolution awarding Contract 5851A, Parking Lot 'D' Addition, Phase A, to the lowest responsive, responsible bidder, Pavex Construction Company, in the amount of \$2,998,962.00.

Mr. Wong said that this is a multi-phase project to expand the existing Parking Lot D. Portions of Parking Lot D will be used for the new rental car facility. This will create 1,200 new parking spaces.

Two bids were received on July 9. Pavex Construction submitted the low bid.

7. Award Contract 3058B - Expansion of Taxiway Guidance Sign System II (AIP No. 3-06-0221-07)

No. 96-0207

Resolution to award Contract No. 3058B, Expansion of Taxiway Guidance Sign System II, to the lowest responsive, responsible bidder, Rosendin Electric, Inc., in the amount of \$789,609.00.

Mr. Wong explained that this is the second project to upgrade the signage on the runways and taxiways in order to meet FAA requirements. Seventy-five percent of the cost will be reimbursed by the FAA.

Four bids were received on June 26. The low bid was submitted by Rosendin Electric.

8. Rejection of Bids - Contract No. 3435 - Airport Medical Clinic Expansion

No. 96-0208

Rejection of all bids received for Contract No. 3435, Airport Medical Clinic Expansion and authorization for rebid when ready. The low bid submitted by AR Construction Company is over the Airport's budget.

Mr. Martin explained that the Airport is working with San Francisco General Hospital and UCSF for the operation of the Airport Medical Clinic. The construction contract is being managed by Airport staff. We are working with an architectural design firm used by San Francisco General for its medical facilities.

The bids came in significantly over budget. Changes are being made to the bid specifications in order to reduce the estimated cost. The contract will be rebid with an alternate.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATERS:

Item No. 9 was adopted unanimously.

9. Northwest Airlines, Inc. - Approval of Land Rental Rate for Final Period of Lease Nos. PUC 65-0863, 67-0207 and Sub-Sublease No. 74-0001

No. 96-0209

Resolution approving Northwest Airlines, Inc.'s land rental rate for the final option period of Lease Nos. PUC 65-0863, 67-0207 and Sub-Sublease No. 74-0001.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

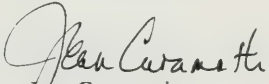
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) regarding pending litigation entitled Associated Builders and Contractors v Airports Commission.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

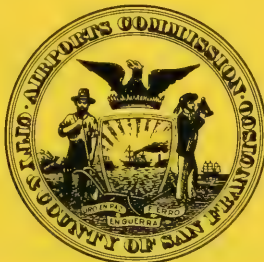
M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM to go into closed session.


Jean Caramatti
Commission Secretary

SF
A45
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8/20/96

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

AUGUST 20, 1996

9:00 A.M.

**✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO**

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

**HENRY E. BERMAN
President**

**MARIE K. BROOKS
Vice President**

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

**JOHN L. MARTIN
Director of Airports**

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August 20, 1996

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Minutes
Airports Commission Meeting
August 20, 1996

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Marie K. Brooks, Vice President
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan
	Hon. Larry Mazzola

* * *

C. ADOPTION OF MINUTES:

The minutes of the Airports Commission regular meeting of August 6, 1996 were adopted by order of the Commission President.

No. 96-0210

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. POLICY:

Item No. 1 was adopted unanimously.

1. Adoption of Transportation Management Program

No. 96-0211

Resolution adopting a Transportation Management Program to guide Airport transportation policy through the Master Plan expansion period.

Mr. John Martin, Director of Airports, said that this will provide for a Transportation

Management program to guide the Airport in the coming years. This action is consistent with previous Commission action relative to promoting transit and reducing private vehicle traffic. It is also consistent with the Transit First Policy recently adopted by the Commission.

Ms. Janice Gendreau, Landside Operations said that the Commission has adopted over 65 resolutions relating to trip reduction measures. The Transportation Mitigation Program adopted by the Commission for the Master Plan contains over 11 policies to guide the development and implementation of measures that involve transportation alternatives to reduce single occupant vehicles on the Airport.

The success of the Airport's approach is evidenced by the fact that 39% of Airport passengers use mass transit to the Airport. Since 1990 we have had a 4% increase in the use of mass transportation modes. SFO has been acknowledged as the best transportation airport in the United States.

Some of the highlights of this Transportation Management Program are the Transit First Policy, adopted by the Commission in March, which gives priority to high occupancy vehicles on the Airport; our public information program which includes radio ads, newspaper ads and travel agents in many other cities; a trip reduction rule which requires all tenants to promote ride share for employees and larger employers to adopt a trip reduction program; and, a parking policy which includes adjustments to parking rates at the Airport.

Commissioner Strunsky said that he supports this plan, although he was not sure that he favors a direct connection between our ART system and Caltrain.

* * *

F ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 5 were adopted unanimously.

2. Award of Contract No. 5500E - International Terminal General Construction Tutor-Saliba Corporation, Perini Corporation and Buckley & Company

No. 96-0212

Conditional award of Contract No. 5500E, International Terminal General Construction, in the amount of \$248,950,000.00, to Tutor-Saliba Corporation, Perini Corp. and Buckley & Co., A Joint Venture subject to a favorable determination by the San Francisco Superior Court in litigation entitled Associated Builders and Contractors, Inc. et. al. v. San Francisco Airports Commission, San Francisco Superior Court No. 979-575, challenging the Commission's Master Plan Project Stabilization Agreement.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airports

Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Martin said that this award is subject to a favorable Court decision on litigation on the Project Labor Agreement.

Mr. Jason Yuen, Acting Administrator, Bureau of Design and Construction explained that this is the largest contract ever awarded by this Commission and will probably be the largest contract awarded by the Commission for the Master Plan. The award is in the amount of \$248,950,000 to Tutor-Saliba, Perini Corporation, Buckley and Company, a Joint Venture.

Four bids were received on July 11 ranging from approximately \$249-million to \$260.5-million. The low bid is \$20-million over our budget of \$221-million. An analysis of the bid indicated that a major portion of the increase is due to market conditions. We are presently competing with over \$12-billion in construction in the Bay Area and the Sacramento area. There is a great demand for build materials.

The engineering system was estimated at \$14-million and the bid came in at \$19-million. The exterior window walls came in 50% higher than the engineer's estimate. Despite these high costs, the square foot cost of the terminal is only \$250. per square foot. This amount includes pile driving, steel framing, the difficult soil situation and the labor market, in addition to the fact that this is a complex project being built in a facility that operates 24 hours a day.

The low bid joint venture has 17 M/WBE firms doing \$25.5-million worth of work or roughly 24%. There are seven African American firms in this joint venture doing almost \$11-million worth of work, or 4.4%; three Latino firms doing over \$9-million worth of work, or 3.7%; one Asian firm doing \$160,000.00 worth of work. There are six women owned firms doing over \$5-million worth of work, or 2.1%. While the low bidder did not meet the goals, HRC determined that a good faith effort was made.

Commissioner Strunsky understood that the award is subject to a Court ruling and asked what will happen if the Court postpones that ruling.

Ms. Mara Rosales, Airports General Counsel responded that the expectation is that the Judge would rule in a relatively short period of time. If the Judge decides to take the matter under submission on August 29 he should rule prior to the time we would normally set for certification of the contract. If we find that the Court is taking a longer time than we think is necessary, she will want to take the matter back to the Commission.

Commissioner Strunsky asked if this would leave us open to motions from the other side that might delay that ruling.

Ms. Rosales responded that the matter has been set for hearing, a briefing schedule has been agreed upon and the Judge has agreed to hear it on the 29th. Usually the Court is sensitive to

resolving these types of issues quickly.

Commissioner Berman found it commendable that we ended up with 20% of the work going to subcontractors for \$54-million.

Commissioner Brooks asked what our position will be if the Judge does not rule in our favor.

Ms. Rosales responded that the matter will then return to the Commission.

Commissioner Quan noted that Tutor-Saliba is the contractor for the Oakland Coliseum and wondered if there was a record of their M/WBE participation. He also noted that Tutor-Saliba has another contract with the Airport and asked what their record was for that contract. He also heard that there was a cost overrun at the Coliseum.

Mr. Yuen said that Tutor-Saliba has received two contracts from the Airport. The first was the garage, which is 95% complete. He understands that they have a good track record on that project. The other contract is for Concourse G which was just given the notice to proceed.

Mr. Roger Sexton, Vice President for Tutor-Saliba responded that they did not run over the budget for the Oakland Coliseum. They had a guaranteed maximum cost of \$80-million for their portion of the work. They succeeded with a substantially large M/WBE participation and they are close to the 25% goal established for that job.

Commissioner Quan noted that Tutor-Saliba had a 25% goal in Contra Costa County yet they could only achieve a 10% goal in San Francisco.

Mr. Sexton said that when they bid this job they believed that their goal was higher than that. They have not yet had the opportunity to see the HRC evaluation.

Commissioner Strunsky said that the Commission received a letter from Paul Van Wert of United Airlines requesting that the award be postponed. Staff is recommending that the award be made and he concurs with that recommendation. He suggested to United and to all of the airlines that will use the new International Terminal that every effort be made to avoid changes to the program during the construction period. One of the reasons projects go over budget or are unable to stay on schedule is that changes in design are promulgated by the users.

Since Mr. Van Wert has indicated a concern about the budget it would behoove the airlines to adopt a no or minimum change policy for this program.

Commissioner Berman added that he wanted the airlines to understand that the Commission shares their concerns but they have a responsibility and obligation to run the Airport. The Commission will decide if staff recommendations are in order and will vote accordingly. We want a cooperative relationship with the airlines, but we are the landlords and they are tenants.

Mr. Martin said that even with the change in the Master Plan budget we will remain within the \$125-million fee limit agreed to with the airlines through the MOU approved by the Commission in November 1995. We will go through those figures in detail with the airlines to

provide them with a comfort level that we are remaining within those terms.

Commissioner Berman asked if we are clearly in compliance with the MOU in awarding this contract.

Ms. Rosales responded that we are.

3. Modification No. 2 of Professional Services Contract 5905 - Inbound and Outbound Ramps and Structures - Parson Brinckerhoff Quade & Douglas, Inc. and Manna Consultants, Inc.

No. 96-0213

Resolution modifying Professional Services Contract No. 5905 for Inbound and Outbound Ramps and Structures with Parsons Brinckerhoff Quade & Douglas, Inc. and Manna Consultants, Inc (PB/MC), by increasing scope of work and the budget by the amount of \$1,323,550.00.

Mr. Yuen explained that this modification provides for the retrofit of existing bridges requested by Caltrans, incorporation of a bridge crossing over the freeway for the ART guideway, and a redesign of the roadways due to relocation of the rental car facilities to the long term parking lot. This modification will provide some value engineering and reduce the cost of the project.

The total fee for these services is \$1,323,550.00. Caltrans will reimburse the Airport \$520,000.00 for seismic retrofit. \$23,500.00 of the total amount is included in funding for BART. The Airport's share of this work will be \$520,000.00.

Mr. Yuen added that of these items came up after this contract was awarded.

Commissioner Strunsky assumed that when the Master Plan total cost comes in the amount reimbursed by Caltrans will not be included in the total amount of the Master Plan.

Mr. Martin concurred.

4. Rejection of All Bids - Contract No. 3646R - Temporary Emergency Response Facility No. 3

No. 96-0214

Resolution rejecting all bids for Contract No. 3646R, Temporary Emergency Response Facility No. 3, due to the withdrawal of the low bidder because of a mathematical error. All other bids received were over the budget. Resolution also authorizes re-bid of this contract.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that the Commission had previously rejected bids for this project and authorized a rebid. The project, in addition to supplying trailers and facilities for temporary emergency response facilities, also adds some construction trailers to house the OCIP Program and Prevailing Wage office.

Three bids were received on August 7. The low bidder subsequently requested permission to withdraw his bid due to a mathematical error. The second bidder was non-responsive because his bid bond did not match his bid. The third bidder was 32% over the estimate. A fourth bid was submitted late and was not opened.

Commissioner Strunsky asked if this would have an impact on our operations.

Mr. Wong responded that we need the emergency response facility and we are on a very tight schedule. Staff will try to trim the scope of the project to try and keep the cost down.

Mr. Wong added that Governor Wilson recently signed a bill that reduced class sizes from 30 to 20 so additional facilities were needed. The same manufacturer providing these trailers for our facilities is also constructing these class room trailers. This is adding to our cost. We need these emergency response facilities before construction proceeds to a point where it impacts on emergency vehicle response times to the runways.

5. Terminate for Convenience Professional Services Contract No. 5515 - Security and Special Systems with Ross and Barruzzini, Inc. - Select Consultant for Construction Documents and Construction Services

No. 96-0215

Mr. Yuen explained that Ross and Barruzzini was retained in 1994 to develop the security system for the Airport. The design development phase of this project has been completed. As we proceed to the next phase of this project, the development of the construction and bid documents for the procurement and installation of these systems, we thought it was time to transfer the work to local firms. The logistics and coordination needed for this project are such that it would be very costly to use a St. Louis firm and fly them back and forth.

Staff would like to proceed with negotiations with the second ranking firm in the consultant selection process, Holmes and Narver. They are a local firm and will retain the minority firms from the Ross and Barruzzini contract. Staff has met with the contractors and an agreement has been developed.

Commissioner Strunsky asked if we knew that Ross and Barruzzini was a St. Louis firm when they were retained.

Mr. Yuen responded that at the time they were selected we were looking for airport security specialists and there were none in San Francisco.

Commissioner Brooks remembered that there were no local firms qualified to do this work when this process began. She asked if this firm is qualified. They weren't around in 1994.

Mr. Yuen responded that the local prime received the second highest score in the selection process. Since we are no longer in the concept development phase, the work now is technical and very cut and dry.

Commissioner Strunsky asked what it would cost if Ross and Barruzzini were to complete this project as opposed to the cost of terminating for convenience.

Mr. Yuen responded that there is a cost savings. Ross and Barruzzini's fee is much higher than Holmes and Narver.

Commissioner Berman noted that they are willingly stepping aside.

Mr. Martin added that they are only being paid for work performed.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 6 through 8 were adopted unanimously. Item Nos. 6 and 7 were called together.

6. Approval of Issue 13 Infrastructure Bonds (\$192,700,000.00)

No. 96-0216

Fifth supplemental bond resolution providing for the issuance of Issue 13 Infrastructure bonds for a total par amount of \$192.7 million.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that this item amends the 1991 bond resolution, authorizes issuance of Issue 13 bonds and in general categorizes infrastructure bonds.

7. \$192,700,000.00 Supplemental Appropriation Request - Issue 13

No. 96-0217

Resolution approving request for \$192,700,000.00 supplemental appropriation of proceeds of Issue 13 infrastructure bonds.

Mr. Ballard explained that this item authorizes staff to seek a supplemental appropriation to authorize use of the proceeds of the bond sale. Projects that will be supported by the bonds in order of cost are the rental car facility at Plot D, parking garage at plot 70, the West Field contingent base, the BART design costs, various American With Disabilities Act improvements, moving walkway replacements in the terminals, cart replacements in the North Terminal and an on-call contract for eight overland bridges, and common use terminal equipment.

With the exception of the rental car facility at Plot D and the BART design costs, all of the projects were included in the forecasts that were prepared last fall for the Memorandum of Understanding established with the airlines. The rent charged for the rental car facility will exceed the cost of construction.

8 Award of Contract No. 3316 - South Terminal Re-Roofing - Alcal Roofing and Insulation

No. 96-0218

Resolution awarding Contract No. 3316, South Terminal Re-Roofing, to Alcal Roofing and Insulation in the amount of \$983,634.99

Mr. Wong said that two bids were received on July 19. The low bid was submitted by Alcal Roofing and Insulation and was 5.4% below the estimate.

* * *

H CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS

Item Nos. 9 through 13 were adopted unanimously.

9 Modification No. 12 to Legal Services Agreement with Law Firm of Morrison & Foerster Relating to Airline Lease Master Plan Contract

No. 96-0219

Resolution approving Modification No. 12 to legal services agreement with Morrison & Foerster relating to the Airline Lease Master Plan contract to increase compensation in the amount of \$500,000.00, all other terms and conditions to remain in full force and effect.

Commissioner Brooks noted that Morrison and Foerster has represented the Airport beautifully but wondered if they were being used efficiently.

Ms. Rosales said that she had some of the same concerns four years ago when she became general counsel, however, over four years comparing them against all of the law firms she believed that the fees they charge represent efficient service. They provide excellent service.

Commissioner Brooks said that she agreed with the quality of their work.

Commissioner Berman wished that there was a better way to control it.

Ms. Rosales responded that she tried.

10 Modification No. 5 to Professional Legal Services Agreement with Law Firm of Lempres & Wulfsberg

No. 96-0220

Resolution approving Modification No. 5 to professional legal services agreement with Lempres & Wulfsberg to increase compensation in the amount of \$300,000.00, all other terms and conditions to remain in full force and effect.

11. Award of Professional Services Contract - Computerized Maintenance Management System JB Systems, Inc.

No. 96-0221

Resolution awarding a professional services contract to JB Systems, Inc. to provide data conversion of existing maintenance records and implementation of a new Computerized Maintenance Management System in the amount of \$95,165.00.

Commissioner Quan asked if the Airport has a coordinated MIS program to coordinate computerization at the Airport.

Mr. Martin responded that we prepare an annual computer plan that covers a three year period. The report is prepared by the computer services section at the Airport.

Commissioner Quan asked if anyone gives an overview of all of the systems in the Airport.

Mr. Martin responded that while certain systems are maintained and operated by different divisions, all computer equipment orders go through our central computer services office to ensure coordination and consistency. Our new computer services manager is preparing a report on our program on an overall level. The report will be available in about a month and provided to the Commission.

Commissioner Berman asked if this firm is presently working under contract at the Airport.

Mr. Martin responded that they are not.

Commissioner Berman asked if this was competitively bid.

Mr. Wong responded that it was a request for proposals. Six firms were interviewed.

12. Award of Sole Source Services Contract - Provide and Maintain Database of Aircraft Operations - Aviation Data Systems

No. 96-0222

Resolution authorizing award of a sole source services contract to Aviation Data Systems to provide and maintain a database of aircraft operations to and from San Francisco International Airport which will be used to monitor compliance with Noise Abatement Regulation, Resolution No. 88-0016 as amended. (\$81,600.00)

13. Resolution Ratifying Personnel Actions

No. 96-0223

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and

approving certain personnel actions taken by the Director of Airports.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Ms. V. Marie Davis asked the Commission if it would consider a share-ride limousine in the Transportation Management Program. She suggested including each member of the transportation community, taxis, limousine operators, share ride, etc. to be on the task force. She also asked the Commission to consider reconstructing the parking pass procedure for the limousines. She believed it was inconsistent with the new plan because it creates more congestion.

Mr. Martin said that Landside Operations staff will follow up.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

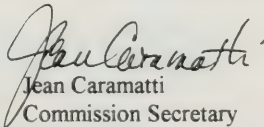
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled American Pilots Association v City and County of San Francisco.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

approving certain personnel actions taken by the Director of Airports.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

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Mr. Martin said that Landside Operations staff will follow up.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

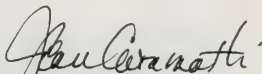
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The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

SEPTEMBER 17, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MARIE K. BROOKS
Vice President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission Meeting
September 17, 1996

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Minutes
Airports Commission Meeting
September 17, 1996

A court reporter's transcript is available.

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Marie K. Brooks, Vice President
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan
	Hon. Larry Mazzola

* * *

K. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Associated Builders and Contractors v Airports Commission; Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation; and Government Code Section 54957 to discuss a personnel matter (Administrator, Bureau of Design and Construction).

The Airports Commission recessed its meeting at 9:02 AM to go into closed and reconvened its meeting at 9:36 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the Airports Commission regular meeting of August 20, 1996 were adopted unanimously.

No. 96-0224

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. PENDING LEGISLATION:

1. Report on Congressional Legislation - Oral Report

Report on the Status of Congressional legislation on the issue of Airport revenue diversion.

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 13 and 16 were adopted unanimously. Item Nos. 14 and 15 were removed from the calendar.

2. Approval of Baseline Schedule and Baseline Budget for Airport Master Plan Program

No. 96-0225

Approving Baseline Schedule and Baseline Budget for Near Term Airport Master Plan Program. Baseline Schedule calls for in-service dates of May 2000 for the new International and June 2001 for the Airport Rail Transit System. Baseline Budget for construction program: \$2,393,000,000.00.

3. Resolution Regarding the Sale of Airports Commission's Second Series Revenue Bonds, Issue 12 and Amendments to the Master Bond Resolution No. 91-0210

No. 96-0226

Resolution providing for (1) the sale of not-to-exceed \$300,000,000.00 principal amount of San Francisco International Airport Second Series Revenue Bonds, Issue 12; and, (2) amendments to Commission Resolution No. 91-0210 related to maximum authorized principal amount, time for sale, maximum number of issues, and final maturity date for Master Plan Bonds.

Commissioner Berman left the meeting at 10:00 AM, at the call of Item No. 4 and returned at 10:06 AM during discussion of Item No. 6.

4. Award of Contract No. 5093A - McDonnell Road/R-2 - Widening and Realignment, Phase A Millard Tong Construction Company

No. 96-0227

Resolution awarding Contract 5903A, McDonnell Road/R-2 Widening and Realignment, Phase A, to the apparent lowest responsive, responsible bidder, Millard Tong Construction Company in the amount of \$1,667,350.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

5. Award Contract 5900B - Surface Roadway Realignment to Esquivel Grading and Paving

No. 96-0228

Resolution awarding Contract 5900B, Surface Roadway Realignment, in the amount of \$1,615,804.50 to Esquivel Grading and Paving. Work will include realignment of the main roadway (R-1N & R-1S) between Highway 101 and the SFIA existing terminals.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

6. Award Contract 5902B - North Access Road Widening, Phase B - Ramirez Engineering Corporation

No. 96-0229

Resolution awarding Contract 5902B, North Access Road Widening, Phase B, to the lowest responsive, responsible bidder, Ramirez Engineering Corporation in the amount of \$836,144.60.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3,

1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

7. Award of Professional Services Contract 5515.3 - Security and Special Systems Project
Holmes & Narver

No. 96-0230

Resolution awarding Professional Services Contract to Holmes and Narver, Inc. as design consultant for the Airport's Security and Special Systems Project in the amount of \$588,000.00.

8. Modification No. 1 to Professional Services Contract No. 5601 - Design of Utility Tunnel and
Utility Relocations - Kennedy/Jenks

No. 96-0231

Modification No. 1 of Professional Services Contract 5601, Design of Utility Tunnel and Utility Relocations, with Kennedy/Jenks, Consultants in the amount of \$3,495,000.00. The modification will allow the Consultant to complete the design of all the utility relocations required for the Master Plan.

9. Bid Call - Contract No. 5601H - Utility Tunnel, Phase II

No. 96-0232

Resolution approving the scope, budget and schedule for Contract 5601H, Utility Tunnel, Phase II and authorizing the Director of Airports to call for bids when ready.

10. Modification No. 1 to Contract No. 5601E - Utility Relocations, Phase III

No. 96-0233

Modification No. 1 to Contract No. 5601E in the amount of \$1,400,000.00 for payment of an incentive clause for early completion and installation of sewer tie-ins to the new sanitary sewer pump station.

11. Modification No. 1 to Contract No. 5500A - International Terminal Site & Piling

No. 96-0234

Resolution approving Modification No. 1 to Contract 5500A, International Terminal Site & Piling, in the

amount of \$1,988,752.00, for work related to unforeseen conditions, pile recovery and delay costs.

12. Bid Call - Contract No. 5510E -Boarding Area A General Construction

No. 96-0235

Resolution approving scope, budget, and schedule for Contract 5510E, Boarding Area A General Construction and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

13. Bid Call - Contract No. 3606G - Environmental Remediation, Phase II Removal and Disposal of Contaminated Soil, Sludge and Water and Other Environmental Work

No. 96-0236

Resolution approving the final plans and specifications and authorizing the Director to call for bids when ready for Contract No. 3606G, Environmental Remediation, Phase II, Removal and Disposal of Contaminated Soil, Sludge and Water and Other Environmental Work.

14. Termination for Convenience - Contract No. 5512 - Aircraft Fueling Systems Projects P& D Consultants, Inc.

Termination for convenience design of aircraft fuel systems projects to allow transfer of work to SFAAAC Fuel Consortium.

15. Approval of Agreement Regarding Transfer of Fuel System Design Control

Resolution approving agreement regarding transfer of Fuel System Design Control, whereby control of the design of the Airport's fueling system is transferred from City to United Air Lines, on behalf of a consortium of airlines who will be users of said system.

16. Airport/Caltrans Design and Right-of-Way Cooperative Agreements - SFIA Ramps Project (#5905)

No. 96-0237

Resolution (1) adopting findings under CEQA related to the SFIA Master Plan EIR and Addendum for the Ramps Project and (2) approving the Ramps Project subject to certain conditions, and authorizing execution of Design Cooperative Agreement and Right-of-Way Cooperative Agreement between the Airport and Caltrans as related to the SFIA Ramps Project.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 17 through 20 were adopted unanimously.

17. Project (#5700) Airport/Caltrans Design Cooperative Agreement - BART Highway 101 Overcrossing

No. 96-0238

Resolution (1) adopting findings under CEQA concerning the BART FEIR/FEIS, as related to the BART Highway 101 Overcrossing Project, and, (2) approving BART Highway 101 Overcrossing Project subject to certain conditions, and authorizing execution of Design Cooperative Agreement between the Airport and Caltrans, as related to the BART Highway 101 Overcrossing Project.

18. Declaration of Emergency and Authorization for Electrical Connection to United Airlines Co-Generation (Co-Gen) Plant

No. 96-0239

Resolution ratifying the Declaration of Emergency and authorizing the electrical connection to United Airlines Co-Generation plant. \$4,500,000.00.

19. Modification #17 - Shuttle Bus Service Agreement #68252 - Additional Service to New Employee Garage

No. 96-0240

Resolution modifying the SFO Shuttle Bus Agreement to authorize an increase in budget of \$450,000.00 to serve the new employee parking garage structure on South Airport Blvd., provide shuttle bus service to temporary holiday season parking areas, and facilitate Master Plan construction activities.

20. Approval of Lease of Off-Airport Space for Airport Staff

No. 96-0241

No. 96-0242

Resolution approving (1) a seven-year Lease of an office building at 1766 El Camino Real, between Certosa, Inc., a California corporation, and Vincent A. Muzzi, an individual, as co-tenants, jointly as Landlord, and City and County of San Francisco, as Tenant; and (2) five-year lease of office space at 111 Anza Boulevard, between SeaBreeze 1 Venture, a California general partnership, as Landlord, and City and County of San Francisco as Tenant.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Consent Items Relating to Administration, Operations & Maintenance:

Items Nos. 21 through 27 were adopted unanimously.

21. Retirement Resolution - Donald H. Jacobberger

No. 96-0243

22. Retirement Resolution - Ron Castillo

No. 96-0244

23. Modification No. 2 of Professional Services Contract - Inspection and Testing Services for the Computerized Parking Control System - Cerand & Co., Inc.

No. 96-0245

Resolution approving Modification No. 2 to Professional

Services Contract with Cerand and Company, Inc. for Inspection and Testing Services for the Computerized Parking Control System by extending completion date to December 31, 1996 and increasing compensation by a cost not to exceed \$41,500.00.

24. Termination of Lease - Shell Oil Company

No. 96-0246

Resolution approving early termination of Shell Oil Company Leases for Plot 22 and Pier 3, bulk fuel storage and wharf area, and Plots 3A-2 and 3B, and refueler truck loading and storage sites.

25. Bid Call - Contract No. 3606J - Abatement and Demolition - Chevron Hangar, Budget and Dollar

No. 96-0247

Resolution approving the final plans and specifications and authorizing the Director to call for bids when ready for Contract 3606J, Abatement and Demolition - Chevron Hangar, Budget and Dollar. Budget Estimate: \$500,000.00.

26. Rental Credit to Host International, Inc. for Work Performed on Behalf of the Airport

No. 96-0248

Resolution authorizing a rental credit to Host International, Inc., for relocating the Airport Police Substation in the North Terminal on behalf of the Airport at a not-to-exceed cost of \$75,000.00.

27. Settlement of Unlitigated and Litigated Claims

No. 96-0249

Resolution to approve settlement and compromise of unlitigated and litigated claims for the period July 1995 to June 1996.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes.

Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Associated Builders and Contractors v Airports Commission; Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation; and Government Code Section 54957 to discuss a personnel matter (Administrator, Bureau of Design and Construction).

The Airports Commission announced that it ratified the appointment of Mr. Tom Kardos as Administrator, Bureau of Design and Construction, effective immediately.

No. 96-0250

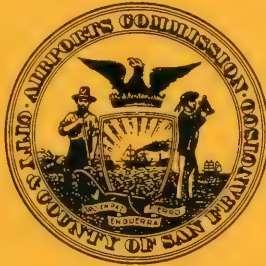
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L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

October 18, 1996

SPECIAL MEETING

9:00 A.M.



ROOM 404 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

MICHAEL S. STRUNSKY

ROLAND A. QUAN

LARRY MAZZOLA

LINDA S. CRAYTON

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JOHN L. MARTIN
Director of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airport Commission Special Meeting
October 18, 1996

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Minutes
Airport Commission Special Meeting
October 18, 1996

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 AM in Room 404, War Memorial Building, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Marie K. Brooks, Vice President
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan

Absent:	Hon. Larry Mazzola
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 1, 1996 were adopted unanimously.

No. 96-0252

* * *

- D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution No. 95-0250 ratifying the Director's appointment of Tom Kardos as Administrator, Bureau of Design and Construction at the closed session of September 17, 1996.

* * *

E. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. Election of Vice President

Commissioner Strunsky nominated Commissioner Quan as Vice President. Commissioner Crayton seconded the nomination.

No. 96-0253

2. Commendation for Former Airports Commissioner Marie K. Brooks

No. 96-0254

3. 1996 Public Managerial Excellence Award

Presentation of certificates to the four Airport employees nominated for the City's 1996 Public Managerial Excellence Award:

- | | |
|----------------|-----------------------------|
| 1. John Costas | 3. Surendrakuma (Sam) Mehta |
| 2. Ernie Eavis | 4. Dan Ng |

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 4 through 10 were adopted unanimously.

4. Award of Professional Services Contract No. 5709A/E - Airport Rail Transit (ART) West Field and Parking Lot D Stations - Murokami Associates

No. 96-0255

Resolution rescinding the award of Professional Services Contract to Murokami Associates/Bull Stockwell Allen & Ripley, J.V., (Resolution No. 96-085) and awarding the Professional Services Contract to Murokami Associates for Contract No. 5709A/E - Airport Rail Transit West Field and Parking Lot D Stations in the amount of \$330,000.00

5. Award of Professional Services Contract - Preparation of a Federal Environmental Assessment

of the SFIA Master Plan - Environmental Science Associates

No. 96-0256 Resolution approving contract with Environmental Science Associates to provide consulting services for preparation of a Federal (FAA) Environmental Assessment of the SFIA Master Plan in an amount not to exceed \$791,000.00.

6. Modification No. 2 to Contract No. 5500A - International Terminal Site and Piling

No. 96-0257 Resolution approving Modification No. 2 to Contract No. 5500A. International Terminal Site and Piling, in the amount of \$2,091,560.00 for work related to unforeseen conditions, pile recovery and delay costs.

7. Award of Contract No. 5900C - Bridge Piles, Pilecaps & Columns - Kulchin-Condon & Associates, Inc.

No. 96-0258 Resolution awarding Contract No. 5900C. Bridge Piles, Pilecaps and Columns in the amount of \$10,133,145.01 to Kulchin-Condon & Associates, Inc. The work will include construction of bridge piles, pilecaps and columns for the Elevated Circulation Roads and a portion of the Highway 101 Inbound and Outbound Ramps between Highway 101 and the Airport, and other related work.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

8. Bid Call - Contract No. 5900D - Elevated and Surface Circulation Roadways

No. 96-0259 Resolution approving the scope, budget and schedule for Contract No. 5900D, Elevated Surface Circulation Roadways and authorizing the Director to call for bids when ready. Work will include construction of the elevated and surface roadways between the existing Airport Terminals and Highway 101 to provide access to



the proposed Master Plan structures including the International Terminal and International Parking Garages. Also added to this contract are portions of work from other contracts including Inbound/Outbound ramp foundations, utility relocation, ART foundation, and IT courtyard work. The engineer's estimate for this contract is \$57,300,000.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airports Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

9. Approval of Agreement Regarding Transfer of Fuel System Design Control

No. 96-0260

Resolution approving Agreement regarding transfer of Fuel System Design Control, whereby control of the design of the Airport's aircraft fueling system is transferred from City to United Air Lines on behalf of a consortium of airlines who will be users of said system.

10. Termination for Convenience - Contract No. 5512 - Aircraft Fueling Systems Projects P & D Consultants, Inc.

No. 96-0261

Terminating for convenience design of aircraft fuel systems projects to allow transfer of work to SFAAAC Fuel Consortium.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item No. 11 was removed from the calendar.

11. Approval of Agreement with BART

Resolution approving an agreement with BART to fund up to \$200-million for the engineering and construction of the BART/SFO Extension Project east of the western edge of Highway 101, including the on-Airport station and

guideway.

12. Award Contract No. 3646R2 - Temporary Emergency Response Facility No. 3
LTM Construction, Inc.

No. 96-0262

Resolution awarding Contract No. 3646R2, Temporary
Emergency Response Facility No. 3, to LTM
Construction, Inc., in the amount of \$1,329,000.00.

13. Award of Contract No. 3315 - South Terminal Carpet Replacement - Pacific
International/Resource Design, Inc., A Joint Venture

No. 96-0263

Resolution awarding Contract No. 3315, South Terminal
Carpet Replacement, to the lowest responsive, responsible
bidder, Pacific International/Resource Design, Inc., A
Joint Venture in the amount of \$1,298,779.00.

14. Bid Call - Contract No. 5650A - Rental Car Facility on Lot D Garage

No. 96-0264

Resolution approving the scope, budget and schedule and
authorizing the bid call for Contract No. 5650A, Rental
Car Facility on Lot D Garage.

This activity is within the scope of the San Francisco
International Airport Master Plan Program which was
approved by the Airports Commission on November 3,
1992. The program EIR prepared for the Master Plan
adequately describes this activity and its potential
environmental effects for the purposes of the California
Environmental Quality Act (CEQA).

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 15 through 22 were adopted unanimously.

15. Approval of Transfer of Avis Rent A Car System, Inc. Concession Agreement to New
Ownership

No. 96-0265

Resolution approving the transfer of Avis Rent A Car
System, Inc. Concession Agreement to new ownership as

a wholly-owned subsidiary of HFS, Inc.

16. Approval of Memorandum of Understanding by and between San Francisco International Airport and the State Department of Fish and Game

No. 96-0265

Resolution approving the Memorandum of Understanding (MOU) regarding the maintenance activities on Airport property located West of Bayshore.

17. Authorization to Amend and Extend On-Airport Automobile Rental Service Concession Agreement with Alamo Rent-A-Car, Inc.

No. 96-0266

Resolution to amend and extend On-Airport Automobile Rental Service Concession Agreement L93-0143 with Alamo Rent-A-Car, Inc. on a month-to-month basis.

18. Lease of Plot 7X to United Air Lines, Inc. and Consent to United's Subleasing a Portion of the Property to Dobbs International Services

No. 96-0277

Resolution approving the lease of 11.30± acres of land, commonly known as Plot 7X to United Air Lines, Inc. The resolution also gives the City's consent to United's subleasing a portion of the property to Dobbs International Services.

19. Delta Air Lines, Inc. Lease Nos. PUC 67-0214 and PUC 67-0980 - Sublease to Singapore Airlines, Ltd.

No. 96-0278

Resolution approving Delta Air Lines, Inc.'s sublease of hangar bay space and aircraft parking to Singapore Airlines, Ltd.

20. Modification No. 4 of Lease and Use Agreement No. 82-0316 - Continental Airlines

No. 96-0279

Resolution approving Modification No. 4 of Continental Airlines, Inc.'s Lease and Use Agreement No. 82-0316 in concurrence with Continental's relocation to Boarding Area "B".

21. Correction of Clerical Error Contained in Resolution No. 96-0206 Awarding Contract No. 5851A, Parking Lot D Addition, Phase A

No. 96-0280

Resolution to correct clerical error contained in Resolution No. 96-0206 awarding Contract No. 5851A, Parking Lot D Addition, Phase A, to Pavex Construction, a division of Granite Rock Company, by changing the contractor's name to JMB Construction/Granite Rock Company, A Joint Venture, the lowest responsive, responsible bidder, in order to certify the contract documents.

22. Retirement Resolution - David E. Dechard

No. 96-0251

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Bo Links wished to address the Commission on the BART agreement but agreed to hold his comments until the next meeting.

Councilwoman Marti Knight, Burlingame, expressed the Burlingame City Council's concerns regarding BART.

Mr. Norman Rolfe, S.F. Tomorrow spoke in favor of a connection between Caltrain and BART.

Mr. Jon Twichell, COST, spoke in favor of the Alternative V connection to Caltrain.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

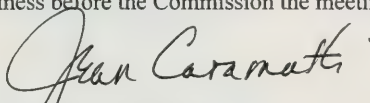
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission determined that it was not in the public interest to disclose the nature of the closed session.

* * *

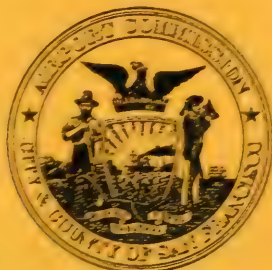
M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:15 AM to go into closed session.


Jean Caramatti
Commission Secretary

CP
AMS
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1/20/96
Special

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

OCTOBER 30, 1996

* SPECIAL MEETING

9:00 A.M.

✈ ROOM 410 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

ROLAND A. QUAN
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN
Airport Director

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October 30, 1996

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AIRPORT COMMISSION MINUTES

October 30, 1996

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 410 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

* * *

C. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was adopted unanimously.

1. Approval of the BART Agreement

No. 96-0272

Mr. John Martin, Airport Director explained that this represents a milestone in the Airport's participation in the BART extension to SFO. This brings us a megastep closer to fulfilling an important role in improving transit access to the Airport.

This agreement, which covers the guiding and governing principles with BART, approves up to \$200-million for BART's on-Airport portion, including the Airport BART station. The Commission will receive additional details on the operating agreements in the future.

The Federal Aviation Administration (FAA) has verified eligibility for airport funding for this project. We are still awaiting determination from the FAA regarding rent. It is the Airport's and the City's position that rent should not be charged. Commission approval will be sought once the FAA has made its determination. It is important that the rent issue be resolved before major construction proceeds on BART. In the event that the FAA determines that rent is required it will be the City, as the sponsor for the Airport, that will be held accountable to the FAA for making any rent compensation to the FAA.

The Airport attempted to reach an agreement with the airlines on BART earlier in the year. Those attempts were unsuccessful and broke down following the Air Transport Association's (ATA) significant lobbying efforts in Washington against the BART project. We will continue to work closely with the Airline Liaison Office on this project. The airlines also received a copy of the comprehensive agreement for comment. Several of those comments were incorporated in the agreement.

The \$200-million commitment is very significant. It is the largest contribution made by any airport for a transit project. It represents 20% of the estimated \$1.1-billion cost of extending BART to the Airport. Other funding sources include \$100-million in State funding, \$100-million from SamTrans and approximately \$700-million from the Federal government.

The \$200-million commitment from the Airport represents about a \$15-million increase in our annual debt service. This will translate to about a \$1.00 additional cost per enplaned passenger to the airlines. The cost per enplaned passenger will increase from \$7.00 to \$8.00, which is still within the average range for costs incurred at other airports.

The Commission's approval clears the way for the Department of Transportation to issue the full funding grant agreement for BART. This agreement also requires approval by the Mayor and Board of Supervisors.

Mr. Martin recognized Melba Yee of the City Attorney's Office and Karen Watson of the Airport for their major efforts in negotiating this agreement.

Mr. Spencer Ballard, Deputy Director, Business and Finance said that the resolution before the Commission will adopt BART's environmental findings and authorize execution of the agreement.

The BART Board will consider the agreement tomorrow. The Board of Supervisors must approve the full funding grant agreement from the Federal Transit Administration (FTA) must be issued before construction contracts can be let.

This is not a comprehensive agreement and it does not cover all aspects of the BART project. A number of other substantive agreements must be developed between now and the spring of next year. Those agreements include operations issues, maintenance issues, financial responsibility, control of facilities, etc.

The project is set up to include issues covering design and construction of the project and broken down into two aspects. The first part is interrelated facilities, i.e. those facilities owned by the Airport. The second is the Federal projects which are primarily systems to be installed by BART but paid for by Airport funds, i.e. operating systems, rail, traction power. Ownership, in accordance with FAA guidelines received earlier this month, will be vested in the Airport and will include all activities paid for by Airport funds, whether authorized by the Airport or by BART.

The position right now is that rent will not be charged for this facility, however, as this

position is clarified by the FAA and the DOT and they have additional comments the Airport Commission will assess rent and other conditions, if required.

The term is for 50 years on a non-exclusive basis. After the first ten years and extending to the 30th year, if there is a requirement for the Airport to relocate the BART station, the Airport can make that relocation and would maintain the standard for passenger service that was established. After the 30th year and extending to the term the Commission will be asked to determine if moving the BART station would be a prudent investment of public funds and would not have to pay for the relocation.

Operation of the system will begin into the Airport at the same time or after the opening of the International Terminal. We have determined through the Federal grant agreement that the operating parameters show approximately a 15 minute service in the Airport. While that service level isn't established in our agreement with BART, it is established in the grant agreement with BART and the Federal government.

The airlines have raised some concerns. Among those concerns is that the BART agreement not be in violation of the Airline Lease and Use Agreement. The second is that the airlines will be forced to pay most of the cost of the project. The final point raised by the airlines deals with the lack of consideration. They raised the issue of rent, requirement to maintain certain service levels and the failure to perform certain responsibilities. It is envisioned that these issues will be addressed in subsequent agreements that will be executed between now and the award of Concourse H.

Commissioner Berman noted that airline opposition is understandable as they are trying to protect their position. They are valued tenants and we hope to work with them on this issue. The goal is to complete this project on time.

Mr. Bo Links, attorney for Artichoke Joe's, said that the public has had access to this document for less than 24 hours. He asked that the Commission wait one week to allow the public time to digest this agreement.

Mr. Links asked what property interest will be conveyed to BART. He asked if it is a leasehold, an easement, or both, or something different.

Mr. Links noted with regard to the Airport's position on rent that the Airport is giving away revenue.

Mr. Links also noted that this is not a direct intermodal connection, contrary to the findings the Commission is about to adopt. Passengers coming from the south will have to transfer to the Light Rail System. Further, this alternative doesn't do any more to reduce congestion or improve air quality than other alternatives.

Alternative B has at least 10,000 daily more regional transit riders than this alternative.

Mr. Norman Rolfe, San Francisco Tomorrow, said that the people voted for BART to the

Airport, they did not vote for BART to Millbrae. The vote of the people did not preclude a common terminal where Caltrain and BART would meet. High speed rail will come one of these days and it will require a station. He agreed with Mr. Links that action on this item should be delayed in order to give the public time to review the document.

Councilwoman Marti Knight, Burlingame, spoke on behalf of the majority of Burlingame City Council members who are concerned about the Millbrae station. She said that BART presented this to the Samtrans Board On October 16 for review. She noted that construction will begin at the proposed southern end in Millbrae/Burlingame where there is no connection to the BART tracks instead of beginning at the already existing BART station and tracks in Colma or the International Terminal station. BART's intention is to begin a project with no link to existing BART services and then plead with Congress and the taxpayers at a later date that they need more money to complete the work and connect it to San Francisco and its Airport.

San Francisco residents and officials who expect a direct BART connection to the Airport at the earliest possible completion date will be surprised at BART's plan to work backwards. No one in San Mateo County or San Francisco voted to construct the project in reverse. This is not the common sense solution to airport transit that anyone envisioned. The Commission's decision today could leave San Francisco with the reputation of not having thought through the logistics of this project. BART is using the Commission's decision today to attempt to force Federal funding that might not even materialize. They could also run out of money as happened on East Bay projects and never connect existing BART tracks to the Airport.

Mr. Dan Richards, President of the BART Board of Directors, thanked Airport staff for the excellent job they did on negotiating this agreement.

The Commission has before it the implementation of an alignment that has already been studied and approved. There is nothing new in this agreement. Congress wants this alignment built, the Administration wants it built, the Mayor and the Airport want it built and the BART Board and the Samtrans Board have adopted it.

Mr. Richards did not believe that the majority of the Burlingame Council shares Councilwoman Knight's views. There were a number of 3-2 votes in the other direction. He also noted that BART is not being built starting in Burlingame, nor has BART run out of money on the East Bay extensions.

Mr. Richards said that according to the MTC, 70% of the transit riders coming from the Airport will come from the North. The BART alignment and the passenger quality standards adopted by BART and the Airport Commission will mean that those passengers will be delivered to within a 4 minute walk of their terminal destination. They will have the opportunity to but not the requirement to transfer to the people mover.

BART will continue to work to improve the connection for passengers coming from the South.

Mr. Richards asked the Commission to approve this agreement. Every day we delay brings more projects in competition with BART, there will be more difficulty in hiring workers from the union halls and costs will rise.

Mr. John Twitchell, member of COST, said that BART to the Airport has been a great sound bite. BART says that this will improve transit but SFO already has the second highest transit usage of any airport in the country. SuperShuttle does not seem to be concerned about this project because they came to the conclusion long ago that BART will have no impact on their transit service and therefore very little impact on transit service to SFO in general.

This is not BART to the Airport, it's BART to Millbrae/Burlingame. COST's objection is that BART is intent on serving itself, not serving the public. BART is intent on funneling passengers off Caltrain and onto BART. He cautioned the Commission to keep a close eye on this project. BART's financial estimates have been very inconsistent in terms of what has been going on in the construction industry.

Mr. Martin said that the importance of the timing of this approval relates to Congress's condition that the local share be fully committed before Congress approves the full funding agreement.

No new policy issues are addressed in this agreement. The Commission approved this alignment over a year ago and stated its intention to fund \$200-million.

He emphasized that the BART extension to the Airport is not mutually exclusive of other transit measures. Staff is evaluating other transit organizations. It is the Commission's policy to maximize transit service for all forms of transit. We are continuing to evaluate connections to Caltrain and have indicated support for high speed rail service.

The comprehensive agreement, consistent previous Commission action, recognizes the importance of the Millbrae station. The Airport would be the southern most terminus without the Millbrae station and enormous numbers of BART passengers would be dropped off and picked up at the Airport. That would cause a problem with our traffic management and roadway system and would jeopardize our funding eligibility because we would no longer have exclusively Airport passengers exiting the Airport BART station. The Millbrae station is very important.

Commissioner Strunsky congratulated staff on their work. BART trains will be 150 feet from the first ticket counter in the International Terminal. San Francisco voters determined that they did not want to be dropped off on the other side of 101. This is a culmination of what the voters of San Francisco asked for when they adopted Proposition I two years ago.

Commissioner Quan reiterated Mr. Martin's comments regarding the necessity of the Millbrae station. Further, this is not the final opportunity for the public to address this issue. The Board of Supervisor's must also approve this agreement.

Commissioner Crayton said that it is important to remember that this issue has been before the

Commission for two years. The Director has said that there are no new policy issues. That responds to several comments that the general public has not had an opportunity to review this agreement. In fact, the public has had opportunities on many different occasions. As there are no new policy issues no one is being deprived of an opportunity to provide input into this process. This project maximizes all forms of transit.

Commissioner Mazzola said that this has been a long, hard fought battle on all sides and he is happy that we are finally reaching the point where this project looks like a reality. We have reached an agreement that both sides can live with.

Commissioner Berman said that the public has had the opportunity to provide input. He cannot see anything to be gained by postponing action for another week.

* * *

C. CLOSED SESSION:

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Airport Commission did not go into closed session.

* * *

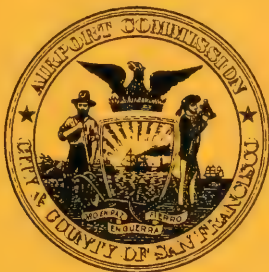
D. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM.


Jean Caramatti
Commission Secretary

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15/96

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

NOVEMBER 5, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

ROLAND A. QUAN
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN
Airport Director

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AIRPORT COMMISSION MINUTES

NOVEMBER 5, 1996

A Court reporter's transcript is available.

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Henry E. Berman, President
Hon. Roland A. Quan, Vice President
Hon. Larry Mazzola
Hon. Linda S. Crayton

Absent: Hon. Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 18, 1996 was adopted unanimously.

No. 96-0273

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. POLICY:

Item No. 1 was put over.

1. Amendment to the Airport Commission's Rules and Regulations Regarding Charitable Solicitation to the Airport Commission's Rules and Regulations Regarding Charitable

Solicitation

Proposed resolution approving an amendment to the Airport Commission's Rules and Regulations regarding charitable solicitation providing that charitable donations to solicitors, as permitted by the Commission, shall be only by check or credit card.

Item Nos. 2 and 3 were adopted unanimously.

2. Authorization for Airport Director to Settle Litigated and Unlitigated Claims of \$10,000.00 or Less without Prior Commission Approval

No. 96-0275

3. Establishment of an International Services Division of the Airport

No. 96-0274

Resolution approving the establishment of an International Services Division of the Airport and requesting the approval of the Board of Supervisors for the Airport to exercise the necessary powers in furtherance thereof.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 4 through 10 were adopted unanimously.

4. Approval of Artist Ik Joong Kang's Design for Tile Wall

No. 96-0276

Resolution approving artist Ik Joong Kang's design for wall tiles at entrance to Boarding Area G.

5. Airport Master Plan Program Construction Management Services for 1997

No. 96-0277
thru 96-0287

Twelve resolutions approving professional services for construction management of the Near Term Phase of the Airport Master Plan Program. Resolutions also approve 1997

budget for 11 construction management consultants totaling \$40,733,000.00.

<u>CONSULTANT</u>	<u>1997 BUDGET</u>
SFO Associates (Parsons/	
AGS/EPC/BDI, Jt. Venture)	\$11,327,000.00
Lehrer McGovern Bovis/	
F.E.Jordan/Cabellon Assoc.	2,000,000.00
Morse Diesel/Arcost/Cornerstone	
Concilium/Lee-Trenchard	2,500,000.00
PGH Wong Engineering/Luster	
Construction Management	3,123,000.00
Turner Construction/The Allen	
Group/CPM Services	3,193,000.00
Holmes & Narver/Arcost CPM	
Group/F.E. Jordan	4,829,000.00
Day & Zimmermann/Cabellon/	
Mendoza Associates	1,447,000.00
Brown & Caldwell/Beyaz &	
Patel	5,656,000.00
Morrison Knudsen/AGS/Luster	
Construction Management	730,000.00
Luster Construction Management/	
GKO	4,644,000.00
O'Brien-Kreitzberg, Inc.	680,000.00

6. Request to Limit Contractor Liability for Damages for the Rebid of Contract No. 5500F - International Terminal Baggage System

No. 96-0288

Resolution establishing a cap of \$10 million for liquidated, incidental and consequential damages for Rebid of Contract No. 5500F, International Terminal Baggage System.

7. Request to Limit Contractor Liability for Damages for the Rebid of Contract No. 5520G, International Terminal Complex Escalators and Moving Walkways, and Contract No. 5520N, International Terminal Complex Elevators

No. 96-0289

Resolution establishing a cap for incidental and consequential damages for the maintenance portions of Contract No. 5520G, International Terminal Complex Escalators and Moving Walkways, and Contract No. 5520N,

International Terminal Complex Elevators, to the amount of the award of the maintenance portions of each contracts.

8. Modification No. 1 of Professional Services Contract No. 5515.3 Preparation of Construction Documents for Security and Special Systems Project Holmes & Narver, Inc.

No. 96-0290

Resolution modifying Professional Services Contract with Holmes & Narver, Inc. for preparation of construction documents for the Airport's Security and Special Systems Project. Modification amount is \$3,242,959.00 and is in accordance with the Master Plan Baseline Budget.

9. Modification No. 1 to Professional Services Contract No. 3449 - Environmental Clean-up IV - CH2M Hill in Association with AGS, Inc.

No. 96-0291

Resolution approving Modification No. 1 to Professional Services Contract No. 3449. Environmental Clean-up IV with CH2M Hill in Association with AGS, Inc. Modification amount is \$1,000,000.00 and is in accordance with the Master Plan Baseline Budget.

10. SFIA/City of Palo Alto Cooperative Agreement to Fund Wetland Mitigation

No. 96-0292

Resolution approving a Cooperative Agreement with the City of Palo Alto to fund the creation of new wetlands as mitigation for wetlands filled for Master Plan and airfield improvement projects. Maximum budget not to exceed \$761,057.00.

* * *

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

Item Nos. 11 thru 15 were adopted unanimously.

11. Modification No. 1 of Professional Services Contract No. 5900GS - Geotechnical

Engineering Services for Airport Roadway Projects

No. 96-0293

Resolution approving Modification No. 1 of Professional Services Contract No. 5900GS, Geotechnical Engineering Services for Airport Roadway Projects, with GEI Consultants, Inc., Roger Foott Division. The Modification covers increase in contract scope due to additional geotechnical engineering and foundation report requirements. Amount of Modification is \$325,000.00 and is in accordance with the Master Plan Baseline Budget.

12. Bid Call - Contract No. 5601I - Utility Relocations, Phase VI

No. 96-0294

Resolution approving the scope, budget and schedule for Contract No. 5601I, Utility Relocations, Phase VI and authorizing the Airport Director to call for bids when ready.

13. Bid Call - Contract No. 5601J - Utility Relocations, Phase VII

No. 96-0295

Resolution approving the scope, budget and schedule for Contract No. 5601J, Utility Relocations, Phase VII and authorizing the Airport Director to call for bids when ready.

14. Delegation of Authority to Award Issue 13 Bonds

No. 96-0296

Resolution authorizing the Airport Director to award the Issue 13 Bonds to the responsible bidder providing the lowest true interest cost to the Commission. This authority will only be exercised if the Commission meeting on the day of sale is cancelled.

15. Approval of General Services Administration Lease for Drug Enforcement Administration/Federal Inspection Services

No. 96-0297

Resolution approving the General Services Administration Lease for Drug Enforcement

Administration and Federal Inspection Service
in the International and South Terminals for a
term of eight years.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation and Government Code Section 54957 to discuss personnel matters (Deputy Director, International Services.).

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:54 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

NOVEMBER 19, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

ROLAND A. QUAN
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

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Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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AIRPORT COMMISSION MINUTES

NOVEMBER 19, 1996

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Henry E. Berman, President
Hon. Roland A. Quan, Vice President
Hon. Michael S. Strunsky
Hon. Larry Mazzola
Hon. Linda S. Crayton

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. DIRECTOR'S REPORTS:

1. Master Plan Quarterly Report

Report updating the Master Plan Baseline Budget
Schedule for the period ending October 15, 1996.

Mr. Tom Kardos, Administrator, Bureau of Design and Construction said that the baseline budget and schedule for the Master Plan was approved on September 17, 1996. Since that time 58 professional services contracts have been awarded in the amount of \$587-million and 39 construction contracts in the amount of \$682-million. Thirty-nine professional services contracts are active and 19 construction contracts are active. The total dollar amount of contracts awarded to date is \$869-million or 36% of the total program. It is anticipated that within the next six months \$700-million will be awarded, or 30% of the total program. The largest contract awarded was the International Terminal contract for \$249-million.

The MBE/WBE participation for professional services so far is 45% MBE and 6% WBE. In construction it is 16% MBE and 9% WBE.

Pile driving for the International Terminal is roughly 80% complete with the driving of 4800 piles out of 6100. Approximately 30% of the foundation work has been completed. Boarding Area A remediation is finished. Boarding Area G demolition is completed and the notice to proceed on the general building has been issued.

The moving conveyances are out to bid. The evaluation of the operating system bid for the Airport Rail Transit System is in its final stages. Agreement has been reached with Caltrans on two of the four agreements on the roads and ramps, three of which must be completed before the notice to proceed. The design of the right of way has been completed. The construction quality agreement is presently under review and discussion and should be completed by mid December.

The agreement with BART on Concourse H has been completed.

The Lot DD garage is finished and open. Five phases of the utility relocation process have been completed. Construction of the general aviation facility has begun.

The key milestones are on schedule. Sixteen gates will be completed in May 2000; three additional gates will be completed in June, three more in December and the final three gates in May 2001.

The major milestones to be completed in the next three months will be the award of the ART operating system, completion of utilities relocation in the International Terminal footprint, completion of the International Terminal piling. The notice to proceed for Boarding Area A has been issued. Steel erection is scheduled to begin in November 1996.

The challenges are the mitigation of the underground construction phase of both the pile driving and the foundation. We are presently on line with the mitigation. The sequence of the road construction will minimize impact to that area.

The current forecast is that we are on target with all major cost aspects. The contingency usage in the reporting period indicates that about 4.6% of contingency is being used as compared to the 8.3% of invoice construction costs.

We are in the process of major value engineering activities which should be completed by the next reporting period. It is our goal to reach the stated amount in the budget.

Final management is in place and management tools have been installed. Program procedures and controls have been finalized and standardized. We have on-line access to the various cost controls for the construction management teams. We are in the process of completing a major complex plan addressing construction staging and traffic issues. We are also in the process of consolidating the construction management teams in the International Terminal Complex area to maximize efficiency and to gain control of construction management.

Commissioner Crayton noted that based on his areas of concern there could be a problem related to land available to construction parking with thoughts of relocating Budget. She asked what the plans are to address this issue.

Mr. Kardos responded that that issue is being addressed relative to the overall space. Traffic is only one component of the general construction plan. Other issues such as contractor staging, construction parking, and public parking in the entire traffic context is part of the planning.

Commissioner Quan asked about the problems regarding delays in paying invoices.

Mr. Kardos responded that contractors submit invoices to the project manager. Delays in paying invoices can occur when other problems arise that distract the project manager from processing them.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 4 were adopted unanimously.

2. Award of Sale of Issue 13/14 Bonds

No. 96-0299

Resolution directing the Commission President and Secretary to sign a Certificate as to best bid and award to the lowest bidder(s) for the issue 13/14 Bonds.

Mr. Spencer Ballard, Deputy Director, Business and Finance said that bids were received this morning on three series of bonds. The first is Issue 13A bonds which are a taxable series and will be used predominantly to build the Airport's rental car facility. Six bids were received with a low bid of 7.26% from J.P. Morgan. That is over a quarter point savings and will reduce the rental rate charge for the rental car facility. For the Issue 13B and Issue 14 A and B bonds the successful bidder out of four bids submitted was a group led by Smith Barney at 5.80928%.

The average bid on all of the other Master Plan bonds to date was 6.129%. We were forecasting in the neighborhood of 6.4% for this issue.

3. Modification No. 2 to Contract No. 5601E - Utility Relocations, Phase III

No. 96-0300

Resolution approving Modification No. 2 of Contract No. 5601E for \$1,518,000.00 and approve \$113,850. for a Type I contingency. This modification is required to install telephone ductbanks in Road R6.

Mr. Kardos explained that one of Pacific Bell's cables is located at the future ART alignment, an area currently under construction. Plans and specs were prepared and distributed to the contractors who were doing similar work in the area. Bids were received on November 6 with Ranger Pipelines/D'Arcy & Harty Construction, a joint venture, submitting the low bid.

4. Reimbursement to Budget Rent-A-Car Systems, Inc. and Dollar Systems, Inc. for the Construction of Interim Car Rental Facilities at Plot 3

No. 96-0301

Resolution approving reimbursement to Budget Rent-A-Car Systems, Inc. and Dollar Systems, Inc. for the relocation and construction of interim car rental facilities due to Master Plan requirements at not-to-exceed costs of \$2,923,000.00 and \$1,576,000.00, respectively.

Mr. Ballard explained that as part of the on-going incremental moves required for the Master Plan program, Budget and Dollar rent-a-car must be relocated to an area closer to Hertz and National. The cost of the relocations are included in the Master Plan budget.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item Nos. 5 through 7 were adopted unanimously.

5. Authorization to Receive Bids - Agreement for Rental Car Operations

No. 96-0302

Resolution approving Agreement specifications and authorizing staff to receive bids for the Agreement for Rental Car Operations.

Mr. Ballard explained that staff has been working with the rental car companies for the past several years to reach consensus on a major facility that will best serve the rental car industry, as well as a business arrangement that will meet the requirements of the Airport and the industry. The proposal before the Commission essentially addresses all of the issues that have been raised by the industry.

The facility is designed to carry nine companies and will open in late 1998 or early 1999. Customers will access the facility through the ART system. Prior to that time customers will use the unified bus system. No rental car company, whether or not they are in the facility will not be allowed to pick up or drop off customers at the terminal building. A per contract fee will be assessed for the transportation system. It will be let by the rental car companies and reimbursed to the Airport. Both the concession agreement and the interline lease to build the facility will run for a five year term with a five year option in the Commission's discretion. The concession fee will be 10% of gross revenues with certain adjustments to be considered which are common throughout the industry.

Minority and women business participation goals are set at 30% for all contracting services and purchases.

Each successful bidder will enter into an agreement or a lease with the Airport which will run

concurrent with the terminal concession agreement. The lease will include the customer service counters, quick turn around facilities, vehicle storage and administrative space. Customer service counters will be distributed by a formula described in a previous memorandum to the Commission.

The rent structure has been set up for the actual building and the quick turn around facilities to cover the cost of the debt service.

Mr. Len Almalech, Senior Vice President of Enterprise Rent-a-Car said that his company is an off-Airport provider. They feel that this proposal for an off-Airport provider is a little tight but workable and they are very much in favor of it. He thanked Mr. Martin, Mr. Ballard and Mr. Rhoades for their efforts in working with the industry to come up with this proposal.

Mr. Jim Tennant, owner of Thrifty Car Rental in Millbrae, said that Airport staff has worked a long time on this proposal. Although the space they would get in a successful bid will be very tight, it will be tight for everyone.

Mr. Martin said that this has been a long, difficult process. It is remarkable that we were able to reach this point where all the interests of the parties will be fairly protected. We have set a new model for business relationships between rental car companies and airports.

Commissioner Strunsky asked if there was an adequate expansion plan for this facility.

Mr. Martin responded that there is considerable room for growth at the ground level. The plan is that over the next ten years we will take more of the long term parking area.

6. Authorization for Request for Qualifications and Proposals for Contract No. 3787 Professional Design Services for Industrial Wastewater Treatment Plant Expansion

No. 96-0303

Resolution authorizing issuance of request for qualifications and proposals for Contract No. 3787, Professional Design Services for Industrial Wastewater Treatment Plant Expansion.

7. Bid Call - Contract 3586 - Surface Movement Guidance and Control System (SMGCS), Phase I

No. 96-0304

Resolution approving scope, budget, and schedule for Contract 3586, Surface Movement Guidance and Control System (SMGCS), Phase I and authorizing the Airport Director to call for bids when ready.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 through 14 were adopted unanimously.

8. Termination of Legal Services Agreement with Bronson, Bronson & McKinnon

No. 96-0305

Resolution approving termination of Professional Legal Services Agreement with the Law Firm of Bronson, Bronson & McKinnon.

9. Retirement Resolution - Arturo Ganoza

No. 96-0306

10. Reimbursement for Remediation of Soil Contamination on Plot 52 to United Air Lines, Inc.

N. 96-0307

Resolution approving reimbursement to United Air Lines, Inc. for removal of sub-surface obstacles and remediation of soil contamination on Plot 52, on behalf of the Airport, in the amount of \$236,561.17.

11. Rental Rate Adjustment for Land Leased to Japan Airlines Co., Ltd.

No. 96-0308

Resolution setting new "land only" rental rate of \$56,600.00 per acre per year for Japan Airlines' Lease No. 80-0238 for the 7.95± acres that comprise Plot 50B-1.

12. Exercise Final One-Year Option - Western Motive's Lingerie & Haberdashery Shop Lease

No. 96-0309

13. Modification No. 16 to Legal Services Agreement with Hanson, Bridgett, et al

No. 96-0310

Resolution approving Contract Modification No. 16 to Professional Legal Services Agreement with Hanson, Bridgett, et al. to increase compensation by \$150,000.00; all other terms and conditions of Agreement to remain in full force and effect.

14. Resolution Amending Resolution No. 96-0013 to change the Rental Rate Structure for Airport-Controlled Cargo Facilities

No. 96-0311

Resolution amending Resolution No. 96-0013 to change the rental rate structure for Airport-controlled cargo facilities. The Amendment excludes tenant employee parking from the rental rate structure and Sub-sublease No. 74-0001.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:


The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

* * *

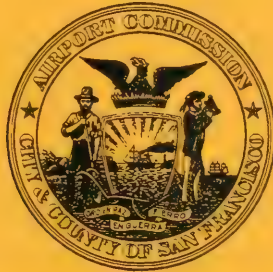
K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM to go into closed session.


Jean Caramatti
Commission Secretary



SAN FRANCISCO AIRPORT COMMISSION



MINUTES

DECEMBER 3, 1996

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

ROLAND A. QUAN
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

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Airport Director

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SAN FRANCISCO, CALIFORNIA 94128

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I.	CLOSED SESSION:		
	Potential Litigation		10
J.	ADJOURNMENT:		11

AIRPORT COMMISSION MINUTES

DECEMBER 3, 1996

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola

Absent:	Hon. Linda S. Crayton
---------	-----------------------

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 4 were adopted unanimously.

1. Bid Call - Contract No. 5700A - ART Guideway, East Loop

No. 96-0312

Resolution approving scope, budget and schedule for Contract 5700A, ART Guideway, East Loop and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes

Mr. Tom Kardos, Administrator, Bureau of Design and Construction explained that this item includes the ART Guideway and East Loop. The contract is the first in a series of fixed facilities and includes the construction of the elevated guideway east of and connecting to the new International Terminal. The rest of the guideway will be under a separate contract. The other components such as the station, maintenance facility and the different loops will all be under different construction contracts.

The guideway must be completed on or before July 7, 1999. The budget for this contract is \$68.7-million.

Commissioner Strunsky said that this contract has great potential to disrupt traffic and Airport operations. The contractor will have to work intimately with the schedule and he will have to meet his commitments. He asked if the contract documents adequately protect the Airport so in the event something happens it is in the contractor's contingency rather than the Airport's.

Mr. Kardos responded that the rail contract obligates the contractor to negotiate the windows.

Commissioner Strunsky said that he was referring to the dollar impact within the bid.

Mr. Martin added that the Commission will be receiving a separate report on how this will impact traffic and our plans to keep the traffic moving.

Commissioner Quan assumed that the east loop guideway is being coordinated with the west loop guideway and the operating system.

Mr. Kardos responded that it is.

2. Modification No. 3 - Contract No. 5500A - International Terminal Site & Piling

No. 96-0313

Resolution approving Modification No. 3 of Contract 5500A, International Terminal Site & Piling, in the amount of \$2,800,000 for work related to unforeseen geotechnical conditions and pile design changes.

Mr. Kardos said that on October 18 the Commission approved Modification No. 2. Since that time two major Contract Change Orders (CCO) have been negotiated with the contractor. As summarized in the memo to the Commission, the two CCOs provide compensation for deep pre-drilling due to unforeseen underground conditions and for an increase in the production piles. The total amount of the two CCOs is \$2.8-million, bringing the total contract to \$27,270,500.00 versus \$28,425,000.00 in construction costs included in the baseline budget.

The contract changes not yet finalized are estimated to be around \$2-million which will bring the total contract amount to \$30.4-million or approximately \$130,000.00 less than the aggregate construction budget and the associated contingencies.

Budget transfers from other interfacing contracts will increase this margin to about \$760,000.00, or about \$750,000.00 below the construction budget and associated contingencies.

Commissioner Berman asked if there were any other areas where there might be unforeseen conditions.

Mr. Kardos responded that we are out of the ground now so hopefully that is behind us and we will be in better control.

Commissioner Strunsky asked Mr. Kardos if he was speaking in round numbers. He was having difficulty getting from \$27.2-million to \$30.4-million.

Mr. Martin responded that the \$2.8-million additional over the \$27.2 would be \$30.1-million.

Commissioner Strunsky said that \$30.4-million was being forecasted.

Commissioner Quan asked if another contract modification was coming.

Mr. Kardos responded that there will be a fourth modification.

Mr. Martin added that \$30.4-million represents the baseline budget.

Item Nos. 3 and 4 were called together.

3. Termination of Financial Advisor Contract

No. 96-0314

Resolution authorizing the Director to terminate the Financial Advisor Contract with Lazard Freres & Co., LLC/Grigsby Brandford & Co., Inc.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that there have been a number of personnel changes in the firm of Grisby Brandford in San Francisco. As one of our co-financial advisors they have been providing key staff for the Airport and those key staff are among the employees who left Grisby Brandford. In addition the contract for financial advisor is due to expire in June 1997. With the change in staff and the upcoming expiration staff is requesting authorization to cancel for convenience on 30-days notice. Item No. 4 requests authorization to issue a request for proposal for financial advisory services and three other types of banking services.

He said that the current financial advisors were very cooperative during this period of

transition.

4. Authorization to Solicit Request for Proposals for Financial Advisory and Underwriting Services

No. 96-0315

Resolution authorizing the Airport Director to solicit requests for proposals from financial advisory and underwriting firms for the Airport's capital programs.

Mr. Ballard explained that the request for proposal will cover four particular services. One dealing with financial advisory services and the other three dealing with a short term borrowing program, a variable rate debt program which allows us to take a portion of our debt portfolio and put it into a variable rate program, and the ability to obtain an underwriter for the proposed fuel consortium.

Commissioner Berman asked if there is any indication that this will entail delays in the process.

Mr. Ballard responded that no delay should result. By proceeding now a new financial advisory contract should be brought back to the Commission in February.

Commissioner Strunsky asked if the 30 day termination is legally within our rights.

Mr. Ballard responded that it is.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item Nos. 5 and 6 were adopted unanimously.

5. Authorization for Pre-Bid Conference - Hotel Lease

No. 96-0316

Mr. Ballard explained that the hotel lease is set to expire in March, 1998. We will be required to use a share of the site where the hotel is currently located for the ramps and roads project. We expect to gain access to the remainder of the site in late 1999. If we proceed now with a request for proposals for a new hotel developer and operator we can minimize the period of time in which we will be without a hotel.

Staff believes this will be a lengthy process, taking approximately 15 months before a tenant is selected. The Commission will be presented with an award recommendation in early 1998 which should give ample time for the final design of the facility to coincide with construction.

Commissioner Berman asked if there is any indication of the number of interested parties.

Mr. Ballard responded that we have indications from three firms and possibly something in access of six firms. He believes that there will be a substantial amount of interest.

Commissioner Strunsky said that he knows that the site has been in flux for some time. He was under the impression that the site would be accessible to the ART. This site appears to be some distance from the ART and asked if provisions would be made.

Mr. Ballard responded that provisions have been made.

Commissioner Strunsky thought that the ART connection was important to the hotel.

Mr. Martin said that that comment has been made from potential bidders.

Commissioner Quan noted that the bid specs mention a "best efforts" type of goal and asked if 12d would be adhered to.

Mr. Martin responded that because this is a lease we are only legally required to go with a "best efforts" requirement.

Ms. Mara Rosales, Airport General Counsel said that staff would take a look at the policy adopted by the Commission a short time ago with regard to leases. She believed that that policy dealt with tenant improvements versus the lack of a requirement in the MBE ordinance about the applicability of MBE goals to leases. She will take a look at it to see which one is applicable. She believes that it is the "best efforts" approach rather than the 12d approach.

6. Bid Call - Contract No. 3524 - Existing International Terminal Interim Improvements

No. 96-0317

Resolution approving the scope, budget and schedule for Contract No. 3524, Existing International Terminal Interim Improvements and authorizing the Airport Director to call for bids when ready.

Mr. Kardos explained that the purpose of this contract is to improve passenger flow, reduce crowding at the departure level and improve passenger processing in Federal Inspection. The implementation of these improvements will serve the Airport as an interim solution until the new International Terminal becomes operational.

Airport staff, in coordination with the airlines, is defining the scope and budget of this project. The construction cost is approximately \$5.5-million, exclusive of the owner controlled insurance program consultant costs. Construction completion is scheduled for June 1, 1997. The project requires formal airline approval. The Commission's conditional approval is requested at this time in order to move the project forward in a timely manner.

Commissioner Berman asked if the airlines were dragging their feet on this.

Mr. Kardos responded that it is the standard process.

Mr. Martin added that staff is still finalizing the details of the plan so that the final plan makes the improvements to passenger flow that the airlines want to see as well. The airlines are on board with the need for this improvement. They also support the need for additional capacity. They are concerned that we will add capacity without getting the additional Federal staffing level. He is working on getting that increased staffing level.

Commissioner Strunsky said that we will be spending \$5.5-million that needs to be amortized over three years. He believes that it should be charged over three years and not lumped into the overall program. This is not part of the Master Plan program.

Mr. Martin said that he will have to get back to the Commission on how we will treat the improvements. The Duty Free sales alone from one 747 flight will more than cover the cost of these improvements.

Commissioner Quan asked if we could somehow make these improvements so that when we convert the current International Terminal into a domestic terminal the improvements will still make sense.

Mr. Martin responded that they will be. He added that portions of it will appropriately be amortized over a short period and portions would appropriately be over a 30-year period.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 through 14 were adopted unanimously.

7. Reimbursement to The Hertz Corporation for Financial Consulting Related to the Financing of the Airport Rental Car Facility, in an Amount Not-to-Exceed \$50,000.00

No. 96-0318

Resolution approving reimbursement to The Hertz Corp. in an amount not-to-exceed \$50,000.00 for financial consulting related to the financing of the Airport Rental Car Facility, performed by Harold B. Kluckhohn and Associates, Inc.

8. Modification No. 1 of Contract 2352 - Computerized Parking Control System - Elsysel, Inc.

No. 96-0319

Due to unavoidable delays brought about by other contractors working on the garage main plaza, Modification No. 1 is requested to extend Elsysel's

contract completion date for the Computerized Parking Control System Enhancement Project from November 8, 1996 to January 31, 1997 at no additional cost to the City.

9. Contract Modification No. 4 - Kenyon and Edelstein

No. 96-0320

Resolution approving Modification No. 4 to contract with Kenyon and Edelstein in the amount of \$30,000. and extending the term from January 1, 1997 thru June 30, 1997.

Commissioner Strunsky noted that this relationship has been around since 1993 and that on June 30 we should evaluate other options.

Mr. Martin said that that is consistent with the direction received from the Mayor.

10. Public Pay Telephone Agreement - Approval to Exercise Second One-Year Option

No. 96-0321

Resolution exercising second one-year option, commencing January 1, 1997, for the Public Pay Telephone Agreement with Pacific Bell.

11. Resolution Increasing the Contractual Billing Rate for Pacific State Airline Services, Inc. for Center Island Sky Cap Services

No. 96-0322

Resolution approving request from Pacific State Airline Services, Inc. to increase the contractual billing rate, in connection with its agreement with the Airport Commission, from \$7.65 per hour to \$8.25 per hour retroactive to October 1, 1996, and a further increase to \$8.55 per hour on March 1, 1997.

12. Marilla Chocolate Company's South Terminal B/A "A" Retail Concession Lease A-2 One Year Extension

No. 96-0323

13. Transfer of Ownership to Republic Industries, Inc. - Alamo Rent-A-Car, Inc.

No. 96-0324

Resolution approving the transfer of Alamo Rent-A-

Car, Inc. concession agreement to new ownership as a wholly-owned subsidiary of Republic Industries, Inc.

14. Retirement Resolution - Oscar C. Cabangis

No. 96-0325

15. Consent to Assignment of Two DFS Group L.P. Lease Nos. 82-0304 and 94-0049 to Moët Hennessy Vuitton

No. 96-0326

Commissioner Strunsky asked if we are certain that this has been approved by the current Board of Directors.

Mr. Ballard responded that that action is occurring today. The Commission's consent becomes effective upon that Board's action.

Ms. Associate General Counsel for DFS explained that the transaction is taking place today. The request comes from DFS through LP and the sale of shares is pending. She said that under their concession lease if more than 50% of the equity of the lease is transferred it is deemed an assignment. In this case 58% of the equity is being transferred. The management of the San Francisco operation will not change. The sale will close within the next several weeks.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airports Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

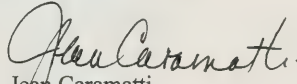
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission determined that it was not in the public interest to disclose the nature of the discussion.

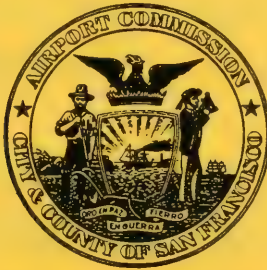
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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

DECEMBER 23, 1996

Special Meeting

3:00 P.M.



ROOM 300, DEPARTMENT OF PUBLIC HEALTH
101 GROVE STREET

CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

ROLAND A. QUAN
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN

Airport Director

DOCUMENTS DEPT.

JUN 24 1997

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Airport Commission Special Meeting
December 23, 1996

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Minutes
Airport Commission Special Meeting
December 23, 1996

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 3:00 PM in Room 300, Department of Public Health, 101 Grove Street, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 30, 1996 and the regular meeting of November 5, 1996 were adopted unanimously.

No. 96-0327

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 as to whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding existing litigation entitled ABB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission; and, Government Code Section 54956.9(b)(1) regarding potential litigation as defendant regarding award of Contract No. 5703A to Mitsubishi (see Item No. 1 on calendar.)

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission voted unanimously to go into closed session. There were no comments from the public.

The Commission voted unanimously to disclose the nature of the closed session.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was adopted by a 3 to 2 vote, with Commissioners Mazzola and Crayton casting the dissenting votes.

1. Award Contract 5703A - Airport Light Rail System (ALRS) - Mitsubishi Heavy Industries America, Inc.

No. 96-0328

Resolution awarding Contract 5703A, Phase I, ALRS Operating System; Phase II, ALRS Operation and Maintenance to Mitsubishi Heavy Industries America, Inc, in the amount of \$136,605,001.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Item No. 2 was adopted as amended by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

2. Award of Contract No. 56011 - Utility Relocations, Phase VI - Stacy & Witbeck, Inc.

No. 96-0329

Resolution awarding Contract 56011, Utility Relocations, Phase VI, to the lowest reliable, responsive and responsible bidder, Stacy & Witbeck, Inc., in the amount of \$5,232,475.00.

Item No. 3 was adopted by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

3. Bid Call - Contract No. 5905A - Inbound and Outbound Ramps and Structures

No. 96-0330

Resolution approving scope, budget and schedule for Contract 5905A, Inbound and Outbound Ramps and Structures, and authorizing the Airport Director to call for bids when ready.

Item No. 4 was adopted unanimously.

4. Bid Call - Contract No. 5750B - North Cargo Facility/Apron

No. 96-0331

Resolution approving the scope, budget and schedule for Contract No. 5750B, North Cargo Facility/Apron and authorizing the Airport Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Item No. 5 was put over.

5. Reject All Bids and Authorize Re-bid for Contract No. 3606G - Removal and Disposal of Contaminated Soil, Sludge and Water

Resolution rejecting all bids for Contract 3606G, Removal and Disposal of Contaminated Soil, Sludge, Water and other environmental work and authorize Director to re-bid.

Item No. 6 was adopted unanimously.

6. Cooperative Agreement with Caltrans Regarding Inbound/Outbound Ramps Project Mitigation

No. 96-0332

Resolution approving Cooperative Agreement with Caltrans and the Federal Highway Administration regarding implementation of mitigation measures for the Inbound/ Outbound Ramps Project as required by the U.S. Fish and Wildlife Service.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7 was adopted by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

7. Rejection of All Bids - Contract No. 3435R - Airport Medical Clinic Expansion

No. 96-0333

Resolution rejecting all bids for Contract No. 3435R, Airport Medical Clinic Expansion, and authorizing rebid when ready.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 and 9 were adopted unanimously.

8. Modification No. 3 to Contract No. 5503 - Geotechnical Engineering Services for International Terminal Complex - PSC Associates, Inc.

No. 96-0334

Resolution approving Modification No. 3 to Professional Services Contract 5503, Geotechnical Engineering Services, New International Terminal Complex, with PSC Associates, Inc. to increase additional services budget by \$395,000.00.

9. Reimbursement to United Air Lines, Inc.

No. 96-0335

Resolution authorizing reimbursement to United Air Lines, Inc. for work done on behalf of the Airport to modify space in the North Terminal.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic

within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 300 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

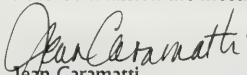
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 6:45 PM.


Jean Caramatti
Commission Secretary

Edwin M. Lee
Director

March 4, 1996

Mr. Ricardo Rosales
METALSET, INC
1275 Michigan Street, #2
San Francisco, CA 94107

Dear Mr. Rosales:

Pursuant to the MBE/WBE/LBE Ordinance II, Chapter 12D of the San Francisco Administrative Code, your firm has been **certified** as an economically disadvantaged **Local Business Enterprise (LBE), Minority Business Enterprise (MBE)**, valid for a period of two (2) years. Your certification number is: 31-038-31181.

This certification now allows your firm to be eligible to receive a ten percent (10%) preference in all bids/proposals with the City and County of San Francisco when bidding/proposing as a **structural steel and misc. metal and fabrication services and project management services firm**. To verify your business status as a bona-fide LBE/MBE, please indicate your certification number and show this letter upon request to the contract awarding authority.

The Human Rights Commission reserves the right to withdraw this certification at any time. The HRC also reserves the right to request additional information and/or conduct on-site visits for purposes of verification.

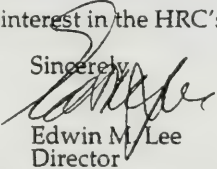
For re-certification, please contact: **Human Rights Commission, 25 Van Ness Avenue, Suite 800, San Francisco, CA 94102, Attention: CERTIFICATION UNIT.**

Please notify this office at least sixty (60) days prior to the expiration date: 03/31/98. Failure to do so, may result in removal of your company's name from the approved list of LBE/MBEs.

If there are any changes in your firm's status during this certification period, you are required to notify this office immediately.

Thank you for your interest in the HRC's MBE/WBE/LBE Program.

Sincerely,


Edwin M. Lee
Director

EML:gpr
CERT.LTR



NETAL SET INC.
PAGE 1 of 2

HRC CERTIFIED VENDORS As of 8/1/96

VA	Vendor Name	Description	AAG	Phone #	Flame	City	ST	Status	WBE	LBE	HRC	Ethnicity
40352	METAL SET INC	A Structural Steel And Msc. Metal And Fabrication Services And Project	\$19,000.00	415/642-066	Ricardo	SAN FRANCISCO	CA	PREC	N	Y	Y	LATINO
40743	METER U S A TRADING CO	A Stocking Supplier Of Paper Products, Agricultural Items, Hospital Supp	\$379.00	510/223-611	Trine Mui-fung	PINOLE	CA	REG	N	N	N	CHINESE
12380	METUQUILUS PLUS	Janitorial And Office Cleaning Service	\$1.00	415/763-704	Chao	OAKLAND	CA	REG	N	N	N	BLACK
12387	METRO EQUITIES CORP	Investment Banking, Financial Advisor, Mortgage Banking, Real Estate	#####	312/346-923	Valencia	CHICAGO	IL	REG	N	N	N	BLACK
41976	METROPLEX CORPORATION	Railroad Construction, Rehabilitation, & Maintenance	\$13,670.783	202/488-718	Mevin	WASHINGTON	DC	REG	N	N	N	ASIAN
32486	METROPOLIS INFORMATION SYSTEMS	Advertising, Marketing, Promotion, Writing & Graphic Design	\$1.00	415/540-710	Freddie	PT RYES STATION	CA	REG	N	N	N	NON-MINORIT
12417	MEXPO INTERNATIONAL INC	A Business Providing Non-sterile Latex Examination Gloves Services	\$460.340	415/668-939	Tim	SAN FRANCISCO	CA	PREC	N	Y	Y	ASIAN
12417	MEYERS SHEETMETAL BOX INC	An Electrical Supplies Manufacturer Of Custom-Built Sheet Metal Constru	\$753.111	001-415-421-993	James H. C.	SAN FRANCISCO	CA	PREC	N	Y	Y	CHINESE
12419	MG ENGINEERING INC	A Civil Engineering, Transportation Consulting Firm	\$610,038.00	515/284-253	Matt	SAN FRANCISCO	CA	PREC	N	Y	Y	CHINESE
12425	MICAH-TECH ELECTRONIC INC	Engineering (electrical)	\$1.00	717/272-338	Ruby	CORONA	CA	PREC	N	Y	Y	CHINESE
39240	MICHELLE KOO DESIGN & LANDSCAPE ARCHITECTURE	A Landscape Architecture And Urban Design Firm	\$13,385.00	415/989-194	Michelle	SAN FRANCISCO	CA	PREC	N	Y	Y	BLACK
31494	MICRO ANALYTICAL LABS INC	A Commercial Testing Laboratory For Asbestos And Lead	\$747,565.00	510/653-082	John C.	EMERYVILLE	CA	PREC	N	Y	Y	KOREAN
23732	MIDDERBROOK + LOUIE INC	A Computer Services And Repair Services Firm	\$2,500,000.00	415/543-050	Boku	SAN FRANCISCO	CA	PREC	N	Y	Y	CHINESE
2495	MIDWEST SHOP SUPPLY	A Consulting Structural Engineering Firm	\$1,517,512.00	415/546-490	Wendy	SAN FRANCISCO	CA	PREC	N	Y	Y	JAPANESE
8034	MIRS & GARCIA/ARCHITECTURE & PLANNING	Engineering Equipment/Hand Tools	\$1,526,041.00	712/252-360	Al	SILOUX CITY	IA	REG	N	Y	Y	CHINESE
3432	MIKE'S TOWING SERVICE	Architectural, Programming & Planning Services Firm	\$1.00	510/465-578	Jorge	OAKLAND	CA	REG	N	Y	Y	NON-MINORIT
7997	MILLER/THOMPSON CONSTRUCTORS INC	A Towing/Road Service And Storage Firm	\$80,000.00	415/825-505	Michael	SAN FRANCISCO	CA	PREC	N	Y	Y	LATINO
9415	MILLS PEET CONTROL	Gen. Eng., Haz. Subs? Removal, Concrete, Trench & Pipe Construction	\$1.00	415/421-531	Diane M.	SAN FRANCISCO	CA	PREC	N	Y	Y	BLACK
2567	MINI FORD GRAPHIC DESIGN	Commercial/Industrial/Residential Pest Control	\$10,000.00	415/968-423	Samuel	SAN FRANCISCO	CA	PREC	N	Y	Y	NON-MINORIT
2574	MINOSEEN	Graphic Art & Illustration	\$1.00	415/680-049	Minam	CONCORD	CA	PREC	N	Y	Y	BLACK
3428	MINUTE MEN PRESS INC	Management Info. Consultants, Publishing And Music Print	\$1.00	415/487-594	Edwin	HAYWARD	CA	REG	N	N	N	NON-MINORIT
2607	MIRACLE TRUCK PAINTING	A Printing Firm	\$2,076,837.00	415/681-397	Edwin	HAYWARD	CA	PREC	N	Y	Y	BLACK
6883	MITCHELL SHOW, INC	Repairing & Painting Car & Truck Body	\$1.00	415/785-075	Sam	SAN FRANCISCO	CA	REG	N	N	N	LATINO
1998	MIZUTANI ENVIRONMENTAL	Office Equipment/Supplies	\$25,000.00	415/513-471	Florence	SAN FRANCISCO	CA	REG	N	N	N	BLACK
1702	MOCASIN GENERAL STORE	A Business Providing Consulting Engineering Services	\$1.00	209/989-235	Denise	CONCORD	CA	REG	N	N	N	BLACK
1709	MOCKWALLACE ARCHITECTS	General Food Supplies	\$20,000.00	415/525-595	Lawrence	MOCCASIN	CA	PREC	N	Y	Y	NON-MINORIT
1728	MORRISER SPORTS INC	An Architecture, Int.Design & Space-Planning Firm	\$225,000.00	415/525-595	Lawrence	MOCCASIN	CA	PREC	N	Y	Y	NON-MINORIT
162	MONARCH ELECTRIC CO	Wholesale Sporting Goods & Sports Shoes	\$1.00	209/542-710	Moninder	TURLOCK	CA	PREC	N	Y	Y	CHINESE
123	MONROV & COVER DESIGN	An Electrical Contractor	\$1,576,700.00	415/553-408	Daniel M	SAN FRANCISCO	CA	PREC	N	Y	Y	ASIAN INDIAN
727	MONTOTA-PAILLA COMMUNICATIONS INC	A Business Supplying "visual Communication" Informational Literature, B	\$53,555.00	415/986-417	Fernando	SAN FRANCISCO	CA	PREC	N	Y	Y	LATINO
451	MONTROSE SECURITIES INTERNATIONAL	Graphic Design Services	\$101,536.00	505/984-316	Elaine	ALBUQUERQUE	NM	REG	N	Y	Y	LATINO
771	MOORE & SONS TRUCKING	A Securities Broker/dealer	\$1.00	415/395-995	Philip Y	SAN FRANCISCO	CA	PREC	N	Y	Y	CHINESE
		Trucking Services	\$793,736.00	415/467-753	Loyal	SAN FRANCISCO	CA	PREC	N	Y	Y	BLACK

TABLE A'UT A

V#	Sobj	Su	Name	Goal Level	Industry	ECD	MBE	Ci	Wl	Cert/Reg	Cert Qualification	Prof Per
				Equipment & Supplies	Equipment & Supplies	Y	R			Registered		No
40949	E066		Fencing Materials	General Services	General Services	Y	R			Registered		No
40950	1222		Janitorial Services	General Services	General Services	Y	R			Registered		No
40950	1224		Security Services	General Services	General Services	Y	R			Registered		No
40951	M355		Airport Consulting, General	Professional Services - Miscellaneous	Professional Services	Y	R			Registered		No
40951	M339		Environmental Safety Testing	Professional Services - Miscellaneous	Professional Services	Y	R			Registered		No
40959	M101		Environmental Consulting	Professional Services - Miscellaneous	Professional Services	Y	R			Registered		No
40960	1238		Graphics & Drafting Services	General Services	General Services	Y	Y		C	Certified	Certified: MBE	10%
40961	1261		Architectural Services	Professional Services - Arch & Eng	Professional Services	Y	Y		C	Certified	Certified: WBE	10%
40962	AR07		Construction Management	Professional Services - Arch & Eng	Professional Services	Y	Y		C	Certified	Certified: MBE	10%
40962	1003		Management Consulting	Professional Services - Mgmt Consult	Professional Services	Y	Y		C	Registered		5%
40962	M130		Marketing/Trade Business Development	Professional Services - Miscellaneous	Professional Services	Y	Y		C	Registered	Certified: MBE	10%
40962	M130		Marketing/Trade Business Development	Professional Services - Miscellaneous	Professional Services	Y	C		C	Certified	Certified: MBE	10%
40962	CN13		Ornamental Metals	Construction/Facilities Maintenance	Construction/Facilities Maintenance	Y	C		C	Certified	Certified: MBE	10%
40962	CN03		Structural Steel Contractors	Construction/Facilities Maintenance	Construction/Facilities Maintenance	Y	C		C	Certified	Certified: MBE	10%
40963	1261		Architectural Services	Professional Services - Arch & Eng	Professional Services	Y	Y		C	Certified	Certified: MBE	10%
40963	AR07		Construction Management	Professional Services - Arch & Eng	Professional Services	Y	Y		C	Certified	Certified: MBE	10%
40970	AR07		Construction Management	Professional Services - Arch & Eng	Professional Services	Y	Y		C	Certified	Certified: MBE	10%
40970	GS45		Hazardous Waste Removal & Disposal	General Services	General Services	Y	C		C	Certified	Certified: MBE	10%
40971	1261		Public Relations & Advertising Services	Professional Services - Miscellaneous	Professional Services	Y	Y		C	Certified	Certified: MBE	10%
40974	1276		General Engineering Contracting	Construction/Facilities Maintenance	Construction/Facilities Maintenance	Y	C		C	Certified	Certified: MBE	10%
40977	M109		Community Relations/Public Affairs	Professional Services - Miscellaneous	Professional Services	Y	Y		C	Certified	Certified: WBE	10%
40977	M106		Photography	Construction/Facilities Maintenance	Construction/Facilities Maintenance	Y	Y		C	Certified	Certified: WBE	10%
40979	1276		General Engineering Contracting	Construction/Facilities Maintenance	Construction/Facilities Maintenance	Y	R		R	Registered		No
40980	GS17		Copy Services	General Services	General Services	Y	R			Registered		No
40981	1003		Management Consulting	Professional Services - Mgmt Consult	Professional Services	Y	Y		C	Certified	Certified: MBE	10%
40982	M156		Mortgage Brokers	Professional Services - Miscellaneous	Professional Services	Y	Y		C	Certified	Certified: WBE	10%
40983	M101		Environmental Consulting	Professional Services - Arch & Eng	Professional Services	Y	Y		R	Registered		No
40985	1261		Architectural Services	Professional Services - Arch & Eng	Professional Services	Y	Y		R	Registered		No
40985	AR07		Construction Management	Professional Services - Arch & Eng	Professional Services	Y	Y		R	Registered		No
40985	AR01		Interior Design	Professional Services - Arch & Eng	Professional Services	Y	Y		R	Registered		No
40986	1290		Painting/Decorating/Waterproofing	Construction/Facilities Maintenance	Construction/Facilities Maintenance	Y	C		C	Certified	Certified: MBE	10%

MILLER/THOMPSON CONSTRUCTORS, INC.

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Fax 415-905-8391

CA LICENSE NO: 681527 A, Haz
Cal Trans W/DBE 024461

DIANE M. MILLER, PRESIDENT
JAMES R. THOMPSON, P.E., V-P

December 17, 1996
FILE: 2024-1

San Francisco International Airport
P. O. Box 8097
San Francisco, CA 94128

Attention: Mr. Jackson Wong, Deputy Airport Director

Reference: Airport Contract No. 3606G
Environmental Remediation Phase II Removal and Disposal Contaminated
Soil, Sludge and Water and Other Environmental Work

Dear Mr. Wong:

Receipt of your letter, dated December 11, 1996 and received on December 13, 1996, is acknowledged. This letter states that Performance Excavators is the apparent low bidder for the above named contract. Yesterday, I had a telephone conversation yesterday with Ms. Jane Wang of your staff and she informed me that the reason that Miller/Thompson is not considered the low bidder is because Miller/Thompson has not apparently met the minority goals for this project.

1. Miller/Thompson has exceeded the published goals for this project. McInerney and Dillon's letter, dated November 27, 1996, explained that the joint venture "...shows a combined MBE/WBE subcontractor compliance of 19.5%."
2. Document 00430, page 00430-1, states: "MBE/WBE combined goal for this contract is 18%" (Emphasis added.). Document 00430 was a required document to be filled out and returned as part of a responsible bid package. A copy of that document, as completed at bid time, is enclosed with this letter.
3. Instructions to Bidders, page 00100-4, item 18.f.3c) states: "For this Contract, the combined MBE/WBE goal is 18 percent."
4. Document 00661, HRC Form 2A, was required to be submitted after the bid by the apparent low Bidder. Information supplied to this document by Miller/Thompson exactly supports all information given at the time of bid. However, no reference to combined goals is contained on this document. We believe that this form, HRC Form 2A, is in error. This form was a required submittal after the bid and is contradicted by two forms that gave explicit directions for responsible bid package submittals.

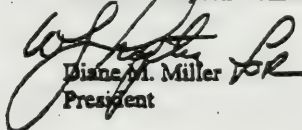
5. Recent contracts advertised for bid by the Airports Commission have been subject to addenda which have removed the word "combined" from all prebid and post bid forms which relate to the HRC subcontractor compliance goals. Clearly, when such eliminations have occurred, the mix of listed subcontractors use to make the compliance goals changes. The use of the word "combined" means that any combination of MBE and WBE can be used to satisfy the compliance goal. The elimination of "combined" means that the stated goals are in effect for a given project, i.e, the compliance goals define themselves as far as minimum MBE/WBE participation. Contract 3606G is a "combined" compliance goal project and Miller/Thompson met that goal.

The use of the word "combined", without the explanation or definition of that word being contained in the specifications, is ambiguous. The lack of definition does not give the Bidder any indication of how the word is going to be interpreted by the Airports Commission. Therefore, the interpretation that is now put on the word is a subjective interpretation and all the rules regarding public bidding require objective interpretations.

For all of the above reasons, Miller/Thompson should be immediately reinstated as the apparent low Bidder and the contract should be awarded to Miller/Thompson without further delay. May we have your reply in writing by the close of business Wednesday, December 18, 1996.

Very truly yours,

Miller/Thompson Constructors, Inc.



Diane M. Miller
President



WOMEN CONSTRUCTION
OWNERS & EXECUTIVES, USA

CALIFORNIA STATE CHAPTER

(415) 467-2140 • FAX (415) 468-0169

P.O. BOX 883034 • SAN FRANCISCO, CA 94188-3034

December 23, 1996

The Honorable Henry Berman, President
Airport Commission
PO Box 8097
San Francisco, CA 94128

Dear President Berman:

I am writing to express our displeasure that the rights of women-owned businesses are apparently being challenged in a major airport contract.

To allege that qualified women business enterprises (WBE's) cannot be allowed to serve as sub-contractors because they have not previously performed exactly the same work is outrageous. No two construction projects are identical. A construction business grows by expanding its scope of work. To bar qualified women-owned businesses with valid contractor's licenses issued by the State of California and certified as WBE's by the Human Rights Commission simply because they have never performed exactly the same work is short-sighted.

It is the duty of the Airport Commission to determine whether Aladdin Builders meets the requirements of licensing, certification and bonding. However, we stand firmly for the principal that any legitimate WBE which meets the subcontracting qualifications for the Airport and City of San Francisco, should not be challenged for what appear to be purely political reasons.

Women Construction Owners & Executives is dedicated to helping women grow their businesses. An opportunity to do so by performing many kinds of work within their license is compatible with WBE/MBE programs.

Please do not allow this restrictive attitude to prevail.

Sincerely,

Marilyn Thureau
President

